

PRELIMINARY DRAFT

TEXAS LEGISLATIVE COUNCIL
Event Reimbursement
Programs
Subtitle E-1, Title 4,
Government Code
7/10/18

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24	Sec. 475.0001.	DEFINITIONS. In this subtitle:	
25	(1)	"Endorsing county" means an endorsing county for	
26		purposes of Chapter 477, 478, 479, or 480.	
27	(2)	"Endorsing municipality" means an endorsing	
28		municipality for purposes of Chapter 476, 477, 478, 479, or 480.	
29	(3)	"Event" means a game or an event as defined by	
30		Chapter 478, 479, or 480.	
31	(4)	"Games" means any of the following and includes	
32		the events and activities related to the following:	
33	(A)	the College Football Playoff games;	
34	(B)	the Major League Baseball All-Star Game;	

1 (C) the National Basketball Association All-Star
2 Game;

3 (D) the National Collegiate Athletic Association
4 Final Four;

5 (E) the National Hockey League All-Star Game;

6 (F) the Olympic Games;

7 (G) the Pan American Games;

8 (H) the Super Bowl;

9 (I) the World Cup Soccer Games; or

10 (J) the World Games.

11 (5) "Games support contract" means a joinder
12 undertaking, a joinder agreement, or a similar contract executed by
13 the office and containing terms permitted or required by this
14 subtitle.

15 (6) "Joinder agreement" means an agreement:

16 (A) entered into by the office on behalf of this
17 state and a site selection organization setting out representations
18 and assurances by this state in connection with the selection of a
19 site in this state for a game or event; or

20 (B) entered into by a local organizing committee,
21 an endorsing municipality, or an endorsing county, or more than one
22 local organizing committee, endorsing municipality, or endorsing
23 county acting collectively, and a site selection organization
24 setting out representations and assurances by each local organizing
25 committee, endorsing municipality, or endorsing county in
26 connection with the selection of a site in this state for a game or
27 event.

28 (7) "Joinder undertaking" means an agreement:

29 (A) entered into by the office on behalf of this
30 state and a site selection organization that this state will
31 execute a joinder agreement if the site selection organization
32 selects a site in this state for a game or event; or

33 (B) entered into by a local organizing committee,
34 an endorsing municipality, or an endorsing county, or more than one

1 local organizing committee, endorsing municipality, or endorsing
2 county acting collectively, and a site selection organization that
3 each local organizing committee, endorsing municipality, or
4 endorsing county will execute a joinder agreement if the site
5 selection organization selects a site in this state for a game or
6 event.

7 (8) "Local organizing committee" means a nonprofit
8 corporation or the corporation's successor in interest that:

9 (A) is authorized by an endorsing municipality,
10 endorsing county, or more than one endorsing municipality or county
11 acting collectively to pursue an application and bid on the
12 applicant's behalf to a site selection organization for selection
13 as the site of a game or event; or

14 (B) with authorization from an endorsing
15 municipality, endorsing county, or more than one endorsing
16 municipality or county acting collectively, executes an agreement
17 with a site selection organization regarding a bid to host a game or
18 event.

19 (9) "Office" means the Texas Economic Development and
20 Tourism Office within the office of the governor.

21 (10) "Site selection organization" means a site
22 selection organization as defined by Chapters 477, 478, and 480.
23 (V.A.C.S. Art. 5190.14, Secs. 1(1), (1-a), (2), (2-a), (3) as
24 amended Acts 78th Leg., R.S., Ch. 814, (4), (5), (6), (7), (8).)

25 Source Law

26 Sec. 1. In this Act:

27 (1) "Department" means the Economic
28 Development and Tourism Division, Office of the
29 Governor.

30 (1-a) "Endorsing county" means an
31 endorsing county for purposes of Section 5, 5A, 5B, or
32 5C of this Act.

33 (2) "Endorsing municipality" means an
34 endorsing municipality for purposes of Section 4, 5,
35 5A, 5B, or 5C of this Act.

36 (2-a) "Event" means a game or event as
37 defined by Section 5A, 5B, or 5C of this Act.

38 (3) "Games" means the Pan American Games,
39 the Olympic Games, the Super Bowl, the National
40 Collegiate Athletic Association Final Four, the
41 National Basketball Association All-Star Game, the
42 National Hockey League All-Star Game, the Major League

1 Baseball All-Star Game, the National Collegiate
2 Athletic Association Bowl Championship Series Games,
3 the World Cup Soccer Games, or the World Games. The
4 term includes the events and activities related to the
5 games.

6 (4) "Games support contract" means a
7 joinder undertaking, a joinder agreement, or a similar
8 contract executed by the department and containing
9 terms permitted or required by this Act.

10 (5) "Joinder agreement" means an agreement
11 entered into by:

12 (A) the department on behalf of this
13 state and a site selection organization setting out
14 representations and assurances by the state in
15 connection with the selection of a site in this state
16 for the location of a game or event; or

17 (B) a local organizing committee, an
18 endorsing municipality, an endorsing county, or more
19 than one local organizing committee, endorsing
20 municipality, or endorsing county acting
21 collectively, and a site selection organization
22 setting out representations and assurances by each
23 local organizing committee, endorsing municipality,
24 or endorsing county in connection with the selection
25 of a site in this state for the location of a game or
26 event.

27 (6) "Joinder undertaking" means an
28 agreement entered into by:

29 (A) the department on behalf of this
30 state and a site selection organization that the state
31 will execute a joinder agreement if the site selection
32 organization selects a site in this state for a game or
33 event; or

34 (B) a local organizing committee, an
35 endorsing municipality, an endorsing county, or more
36 than one local organizing committee, endorsing
37 municipality, or endorsing county acting
38 collectively, and a site selection organization that
39 each local organizing committee, endorsing
40 municipality, or endorsing county will execute a
41 joinder agreement if the site selection organization
42 selects a site in this state for a game or event.

43 (7) "Local organizing committee" means a
44 nonprofit corporation or its successor in interest
45 that:

46 (A) has been authorized by an
47 endorsing municipality, endorsing county, or more than
48 one endorsing municipality or county acting
49 collectively to pursue an application and bid on the
50 applicant's behalf to a site selection organization
51 for selection as the site of a game or event; or

52 (B) with the authorization of an
53 endorsing municipality, endorsing county, or more than
54 one endorsing municipality or county acting
55 collectively, has executed an agreement with a site
56 selection organization regarding a bid to host a game
57 or event.

58 (8) "Site selection organization" means a
59 site selection organization as defined by Sections 5,
60 5A, and 5C of this Act.

61 Revisor's Note

62 (1) Section 1, V.A.C.S. Article 5190.14, refers
63 to "this Act," meaning V.A.C.S. Article 5190.14.
64 Throughout this subtitle, the revised law substitutes

1 references to "this Act" with references to "this
2 subtitle" because all the provisions in Article
3 5190.14 are revised as provisions in Subtitle E-1,
4 Title 4, Government Code.

5 (2) Section 1(1), V.A.C.S. Article 5190.14,
6 when originally enacted by Chapter 1507 (S.B. 456),
7 Acts of the 76th Legislature, Regular Session, 1999,
8 defined "department" as the Texas Department of
9 Economic Development. Chapter 814 (S.B. 275), Acts of
10 the 78th Legislature, Regular Session, 2003, abolished
11 the Texas Department of Economic Development and
12 transferred the department's relevant duties to the
13 Texas Economic Development and Tourism Office within
14 the office of the governor. Chapter 810 (S.B. 1515),
15 Acts of the 81st Legislature, Regular Session, amended
16 the definition of "department" in V.A.C.S. Article
17 5190.14 to mean the Texas Economic Development and
18 Tourism Office, to acknowledge the transfer of duties
19 to the office. The revised law substitutes "office"
20 for "department" for the defined term and throughout
21 this subtitle to more accurately describe the state
22 entity performing duties under this subtitle.

23 (3) Section 1(3), V.A.C.S. Article 5190.14,
24 includes in the definition of "games" the "National
25 Collegiate Athletic Association Bowl Championship
26 Series Games." In 2014, the National Collegiate
27 Athletic Association Bowl Championship Series or the
28 Division 1 Football Bowl Subdivision Bowl Championship
29 Series was replaced by the College Football Playoff
30 games. The revised law substitutes "the College
31 Football Playoff games" for the quoted language
32 accordingly.

33 (4) Section 1(3), V.A.C.S. Article 5190.14,
34 originally defined "games" as the 2007 Pan American

Games or the 2012 Olympic Games. Chapter 579 (H.B. 1675), Acts of the 78th Legislature, Regular Session, 2003, amended the definition of "games" to mean the 2011 Pan American Games or the 2012 Olympic Games, which in 2003 were the next Pan American Games or Olympic Games for which bids to host would be accepted. During the same legislative session, Chapter 814 (H.B. 275), Acts of the 78th Legislature, Regular Session, 2003, expanded the definition of "games" and eliminated the dates of the Pan American Games and Olympic Games. The revised law omits the definition of "games" as amended by Chapter 579 as included within the broader meaning of the definition of "games" as amended by Chapter 814. The omitted law reads:

(3) "Games" means the 2011 Pan American Games or the 2012 Olympic Games.

Revised Law

Sec. 475.0002. PURPOSES OF SUBTITLE. The purposes of this subtitle are to:

(1) provide assurances required by a site selection organization sponsoring a game or event; and

(2) provide financing for the costs of:

(A) applying or bidding for selection as the site of a game or event in this state;

(B) making preparations necessary and desirable for conducting a game or event in this state, including costs of the construction or renovation of facilities to the extent authorized by this subtitle; and

(C) conducting a game or event in this state.

(V.A.C.S. Art. 5190.14, Sec. 2.)

Source Law

Sec. 2. The purpose of this Act is to provide assurances required by a site selection organization sponsoring a sporting or non-sporting game or event and to provide financing for the costs of:

(1) applying or bidding for selection as the site of a game or event in this state;

1 (2) making the preparations necessary and
2 desirable for the conduct of a game or event in this
3 state, including the construction or renovation of
4 facilities to the extent authorized by this Act; and
5 (3) conducting a game or event in this
6 state.

7 Revisor's Note

8 Section 2, V.A.C.S. Article 5190.14, refers to a
9 "sporting or non-sporting" game or event. The revised
10 law omits the quoted language because it does not add
11 to the clear meaning of the law and is not an actual
12 limitation on a game or event.

13 Revised Law

14 Sec. 475.0003. LEGISLATIVE FINDINGS. Conducting one or
15 more games or events in this state will:

16 (1) provide invaluable public visibility throughout
17 the nation or world for this state and the communities where the
18 games or events are held;

19 (2) encourage and provide major economic benefits to
20 the communities where the games or events are held and to the entire
21 state; and

22 (3) provide opportunities for local and Texas
23 businesses to create jobs that pay a living wage. (V.A.C.S. Art.
24 5190.14, Sec. 3.)

25 Source Law

26 Sec. 3. The conduct in this state of one or more
27 games or events will:

28 (1) provide invaluable public visibility
29 throughout the nation or world for this state and the
30 communities where the games or events are held;

31 (2) encourage and provide major economic
32 benefits to the communities where the games or events
33 are held and to the entire state; and

34 (3) provide opportunities for the creation
35 of jobs by local and Texas businesses that pay a living
36 wage.

37 Revised Law

38 Sec. 475.0004. RULES. The office of the governor shall
39 adopt rules consistent with this subtitle to ensure efficient
40 administration of the trust funds established under this subtitle,
41 including rules related to application and receipt requirements.
42 (V.A.C.S. Art. 5190.14, Sec. 3A.)

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1 the money needed for preparing the proposal;

2 (5) a description by type and approximate amount of
3 the site selection application costs that the local organizing
4 committee, endorsing municipality, or endorsing county intends to
5 pay; and

6 (6) any other information reasonably requested by the
7 office to assist the office in reviewing the request. (V.A.C.S.
8 Art. 5190.14, Secs. 7(a) (part), (b).)

9 Source Law

10 Sec. 7. (a) The department shall review
11 requests from a local organizing committee, endorsing
12 municipality, or endorsing county that the department,
13 on behalf of the state, enter into a games support
14 contract that is required by a site selection
15 organization in connection with the committee's,
16 municipality's, or county's bid to host any of the
17 games. . . .

18 (b) A request made under Subsection (a) of this
19 section must be accompanied by:

20 (1) a general description and summary of
21 the games for which a site selection is sought by the
22 local organizing committee, endorsing municipality,
23 or endorsing county;

24 (2) a preliminary and general description
25 of the proposal the local organizing committee,
26 endorsing municipality, or endorsing county intends to
27 submit to a site selection organization;

28 (3) the estimated cost of preparing and
29 submitting the intended proposal;

30 (4) the local organizing committee's,
31 endorsing municipality's, or endorsing county's
32 intended method of obtaining the funds needed for the
33 purpose of preparing the proposal;

34 (5) a description by type and approximate
35 amount of the site selection application costs that
36 the local organizing committee, endorsing
37 municipality, or endorsing county intends to pay; and

38 (6) any other information reasonably
39 requested by the department to assist it in reviewing
40 the request.

41 Revisor's Note

42 Section 7(b)(4), V.A.C.S. Article 5190.14,
43 refers to the "funds" needed for preparing a proposal.
44 Throughout this subtitle, the revised law substitutes
45 "money" for "funds" because the meaning is the same and
46 "money" is the more commonly used term.

47 Revised Law

48 Sec. 475.0053. TIME FOR DETERMINATION. The office shall
49 approve or deny a request under Section 475.0052 not later than the

1 30th day after the date the local organizing committee, endorsing
2 municipality, or endorsing county submits the request. (V.A.C.S.
3 Art. 5190.14, Sec. 7(c).)

4 Source Law

5 (c) The department shall approve or deny a
6 request made under Subsection (a) of this section not
7 later than the 30th day after the date the request is
8 submitted.

9 Revised Law

10 Sec. 475.0054. PREREQUISITE FOR EXECUTION OF GAMES SUPPORT
11 CONTRACT. The office may agree to execute a games support contract
12 only if:

13 (1) the office determines that:

14 (A) this state's assurances and obligations
15 under the contract are reasonable; and

16 (B) any financial commitment of this state will
17 be satisfied exclusively by recourse to the Pan American Games
18 trust fund or the Olympic Games trust fund, as applicable; and

19 (2) the endorsing municipality or endorsing county has
20 executed an agreement with a site selection organization that
21 contains substantially similar terms. (V.A.C.S. Art. 5190.14, Sec.
22 7(f).)

23 Source Law

24 (f) The department may agree to execute a
25 joinder undertaking, a joinder agreement, or other
26 games support contract only if:

27 (1) the department determines that:

28 (A) the state's assurances and
29 obligations under the undertaking, agreement, or
30 contract are reasonable; and

31 (B) any financial commitments of the
32 state will be satisfied exclusively by recourse to the
33 Pan American Games trust fund or the Olympic Games
34 trust fund, as applicable; and

35 (2) the endorsing municipality or
36 endorsing county has executed an agreement with a site
37 selection organization that contains substantially
38 similar terms.

39 Revisor's Note

40 Section 7(f), V.A.C.S. Article 5190.14, refers to
41 the execution of a "joinder undertaking, a joinder
42 agreement, or other games support contract." The

revised law omits "joinder undertaking" and "joinder agreement" because those terms are included in the definition of games support contract under Section 1(4), V.A.C.S. Article 5190.14, revised in this chapter as Section 475.0001(5).

Revised Law

Sec. 475.0055. JOINDER UNDERTAKING TERMS. The office may agree in a joinder undertaking entered into with a site selection organization that the office will:

(1) execute a joinder agreement if the site selection organization selects a site in this state for the games; and

(2) refrain from taking any action after execution of the joinder undertaking that would impair the office's ability to execute the joinder agreement. (V.A.C.S. Art. 5190.14, Sec. 7(d).)

Source Law

(d) The department may agree in a joinder undertaking entered into with a site selection organization that the department will:

(1) execute a joinder agreement if the site selection organization selects a site in this state for the games; and

(2) refrain from taking any action after the execution of the joinder undertaking that would impair its ability to execute the joinder agreement.

Revised Law

Sec. 475.0056. JOINDER AGREEMENT TERMS. The office may agree in a joinder agreement that this state will:

(1) provide or cause to be provided all of the governmental funding, facilities, and other resources specified in the local organizing committee's, endorsing municipality's, or endorsing county's bid to host the games;

(2) be bound by the terms of, cause the local organizing committee, endorsing municipality, or endorsing county to perform, and guarantee performance of the committee's, municipality's, or county's obligations under contracts relating to selecting a site in this state for the games; and

(3) be jointly and severally liable with the local organizing committee, endorsing municipality, or endorsing county

1 for:

2 (A) an obligation of the committee,
3 municipality, or county to a site selection organization, including
4 an obligation indemnifying the organization against a claim of and
5 liability to a third party arising out of or relating to the games;
6 and

7 (B) any financial deficit relating to the games.

8 (V.A.C.S. Art. 5190.14, Sec. 7(e).)

9 Source Law

10 (e) The department may agree in a joinder
11 agreement that the state will:

12 (1) provide or cause to be provided all of
13 the governmental funding, facilities, and other
14 resources specified in the local organizing
15 committee's, endorsing municipality's, or endorsing
16 county's bid to host the games;

17 (2) be bound by the terms of, cause the
18 local organizing committee, endorsing municipality,
19 or endorsing county to perform, and guarantee
20 performance of the local organizing committee's,
21 endorsing municipality's, or endorsing county's
22 obligations under contracts relating to selecting a
23 site in this state for the games; and

24 (3) be jointly and severally liable with
25 the local organizing committee, endorsing
26 municipality, or endorsing county for:

27 (A) obligations of the local
28 organizing committee, endorsing municipality, or
29 endorsing county to a site selection organization,
30 including obligations indemnifying the site selection
31 organization against claims of and liabilities to
32 third parties arising out of or relating to the games;
33 and

34 (B) any financial deficit relating to
35 the games.

36 Revised Law

37 Sec. 475.0057. ADDITIONAL TERMS OF GAMES SUPPORT CONTRACT.

38 A games support contract may contain any additional provision the
39 office requires to carry out the purposes of this subtitle.

40 (V.A.C.S. Art. 5190.14, Sec. 7(h).)

41 Source Law

42 (h) A games support contract may contain any
43 additional provisions the department requires in order
44 to carry out the purposes of this Act.

45 Revised Law

46 Sec. 475.0058. REPAYMENT AGREEMENT REQUIRED. (a) Before
47 executing a games support contract, the office must execute an

1 agreement with the local organizing committee, endorsing
2 municipality, or endorsing county requiring the committee,
3 municipality, or county to repay this state any money spent by the
4 office under this subtitle if a site selection organization selects
5 a site for the games in this state in accordance with an application
6 by the committee, municipality, or county.

7 (b) The local organizing committee, endorsing municipality,
8 or endorsing county will make a repayment under Subsection (a) from
9 any surplus of the committee's, municipality's, or county's money
10 remaining after:

11 (1) presentation of the games; and

12 (2) payment of the expenses and obligations incurred
13 by the committee, municipality, or county. (V.A.C.S. Art. 5190.14,
14 Sec. 7(g).)

15 Source Law

16 (g) Before executing a games support contract,
17 the department must execute an agreement with the
18 local organizing committee, endorsing municipality,
19 or endorsing county requiring that if a site selection
20 organization selects a site for the games in this state
21 pursuant to an application by the local organizing
22 committee, endorsing municipality, or endorsing
23 county, the local organizing committee, endorsing
24 municipality, or endorsing county will repay the state
25 any funds expended by the department under this Act
26 from any surplus of the local organizing committee's,
27 endorsing municipality's, or endorsing county's funds
28 remaining after the presentation of the games and
29 after the payment of the expenses and obligations
30 incurred by the local organizing committee, endorsing
31 municipality, or endorsing county.

32 Revised Law

33 Sec. 475.0059. STATE AS ADDITIONAL INSURED. The office may
34 require a local organizing committee, endorsing municipality, or
35 endorsing county to list this state as an additional insured on any
36 insurance policy purchased by the committee, municipality, or
37 county that a site selection organization requires to be in effect
38 in connection with the games. (V.A.C.S. Art. 5190.14, Sec. 7(i).)

39 Source Law

40 (i) The department may require a local
41 organizing committee, endorsing municipality, or
42 endorsing county to list the state as an additional
43 insured on any policy of insurance purchased by the

1 local organizing committee, endorsing municipality,
2 or endorsing county and required by a site selection
3 organization to be in effect in connection with the
4 games.

5 Revised Law

6 Sec. 475.0060. SUPPORT BY CERTAIN STATE AGENCIES. The
7 Texas Department of Transportation, the Department of Public Safety
8 of the State of Texas, and the Texas Department of Housing and
9 Community Affairs may:

10 (1) assist a local organizing committee, endorsing
11 municipality, or endorsing county in developing applications and
12 planning for the games; and

13 (2) enter into a contract or agreement or give
14 assurances related to the presentation of the games. (V.A.C.S. Art.
15 5190.14, Sec. 7(j).)

16 Source Law

17 (j) The Texas Department of Transportation, the
18 Department of Public Safety of the State of Texas, and
19 the Texas Department of Housing and Community Affairs
20 may:

21 (1) assist a local organizing committee,
22 endorsing municipality, or endorsing county in
23 developing applications and planning for the games;
24 and

25 (2) enter into contracts, agreements, or
26 assurances related to the presentation of the games.

27 SUBCHAPTER C. LOCAL ORGANIZING COMMITTEES

28 Revised Law

29 Sec. 475.0101. APPLICABILITY OF OPEN MEETINGS AND OPEN
30 RECORDS LAWS. (a) A local organizing committee and the committee's
31 governing body are subject to Chapters 551 and 552. For purposes of
32 those chapters, the governing body of a local organizing committee
33 is considered a governmental body as defined by those chapters. For
34 purposes of Chapter 552, the records and information of a local
35 organizing committee are considered public records and public
36 information.

37 (b) A final bid that a local organizing committee submits to
38 a site selection organization, or a draft of that bid, is excepted
39 from required public disclosure under Chapter 552 until the
40 organization selects the site for the games.

1 (c) Chapter 551 does not apply to a meeting of a
2 subcommittee of a local organizing committee's governing body if:

3 (1) the subcommittee consists of not more than five
4 members;

5 (2) the meeting is not held in a public building;

6 (3) the subcommittee makes a recording of the meeting
7 proceedings in compliance with Section 551.103, and the committee
8 preserves the recording until the second anniversary of the date
9 the recording is made;

10 (4) the subcommittee does not discuss or decide any
11 financial matters during the meeting; and

12 (5) any decision the subcommittee makes will not take
13 effect without the governing body reviewing and officially adopting
14 the decision at a meeting held in compliance with Chapter 551.

15 (d) A recording made under Subsection (c) is subject to
16 required public disclosure in the manner prescribed by Chapter 552
17 for a public record. (V.A.C.S. Art. 5190.14, Sec. 8.)

18 Source Law

19 Sec. 8. (a) A local organizing committee and
20 its governing body are subject to Chapters 551 and 552,
21 Government Code. For purposes of those chapters, the
22 governing body of a local organizing committee is
23 considered a governmental body as defined by those
24 chapters. For purposes of Chapter 552, Government
25 Code, the records and information of a local
26 organizing committee are considered public records and
27 public information.

28 (b) A final bid that is submitted by a local
29 organizing committee to a site selection organization,
30 or a draft of that bid, is excepted from required
31 public disclosure under Chapter 552, Government Code,
32 until the applicable site selection organization
33 selects the site for the applicable games.

34 (c) Chapter 551, Government Code, does not apply
35 to a meeting of a subcommittee of the governing body of
36 a local organizing committee if:

37 (1) the subcommittee consists of not more
38 than five members;

39 (2) the meeting is not held in a public
40 building;

41 (3) the subcommittee makes a tape
42 recording of the proceedings of the meeting in
43 compliance with Section 551.103, Government Code, and
44 the local organizing committee preserves the tape
45 recording for two years from the date the recording is
46 made;

47 (4) the subcommittee does not discuss or
48 decide any financial matters during the meeting; and

49 (5) any decision made by the subcommittee

1 will not become effective without being reviewed and
2 officially adopted by the governing body of the local
3 organizing committee at a meeting held in compliance
4 with Chapter 551, Government Code.

5 (d) A tape recording made under Subsection (c)
6 of this section is subject to required public
7 disclosure in the manner prescribed by Chapter 552,
8 Government Code, for a public record.

9 Revisor's Note

10 Section 8, V.A.C.S. Article 5190.14, requires a
11 "tape recording" of certain meeting proceedings to be
12 in compliance with Section 551.103, Government Code.
13 Section 8 was included in the original enactment of
14 Article 5190.14 by Chapter 1507 (S.B. 456), Acts of the
15 76th Legislature, Regular Session, 1999, and has not
16 been amended since enactment. Section 551.103,
17 Government Code, was amended by Chapter 87 (S.B. 471),
18 Acts of the 83rd Legislature, Regular Session, 2013,
19 by striking "tape" each place it appeared as a
20 descriptor of the required recording. The revised law
21 omits "tape" to conform to the changes made to Section
22 551.103, which no longer requires the recording of
23 proceedings to be a tape recording.

24 Revised Law

25 Sec. 475.0102. TAX EXEMPTIONS FOR CERTAIN COMMITTEES. A
26 local organizing committee that is exempt from paying federal
27 income tax under Section 501(c), Internal Revenue Code of 1986, is
28 exempt from:

29 (1) the sales, excise, and use taxes imposed under
30 Chapter 151, Tax Code;

31 (2) taxes on the sale, rental, and use of a motor
32 vehicle imposed under Chapter 152, Tax Code;

33 (3) the hotel occupancy tax imposed under Chapter 156,
34 Tax Code; and

35 (4) the franchise tax imposed under Chapter 171, Tax
36 Code. (V.A.C.S. Art. 5190.14, Sec. 9(a).)

37 Source Law

38 Sec. 9. (a) A local organizing committee that

1 is exempt from paying federal income tax under Section
2 501(c), Internal Revenue Code of 1986, as amended, is
3 exempt from:

4 (1) the sales, excise, and use taxes
5 imposed under Chapter 151, Tax Code;

6 (2) taxes on the sale, rental, or use of a
7 motor vehicle imposed under Chapter 152, Tax Code;

8 (3) the hotel occupancy tax imposed under
9 Chapter 156, Tax Code; and

10 (4) the franchise tax imposed under
11 Chapter 171, Tax Code.

12 Revisor's Note

13 (1) Section 9(a), V.A.C.S. Article 5190.14,
14 refers to "Section 501(c), Internal Revenue Code of
15 1986, as amended." The revised law omits "as amended"
16 because under Section 311.027, Government Code (Code
17 Construction Act), applicable to the revised law,
18 unless expressly provided otherwise, a reference to a
19 statute or rule applies to all reenactments,
20 revisions, or amendments of the statute or rule.

21 (2) Section 9(a)(2), V.A.C.S. Article 5190.14,
22 refers to an exemption from taxes on the "sale, rental,
23 or use" of a motor vehicle imposed under Chapter 152,
24 Tax Code. It is clear from the context of Section 9(a)
25 that the exemption applies to all taxes imposed under
26 Chapter 152. Therefore, the revised law substitutes
27 "and" for "or" in the quoted phrase.

28 (3) Section 9(b), V.A.C.S. Article 5190.14,
29 refers to the effective date of the exemptions listed
30 under Section 9(a), V.A.C.S. Article 5190.14. Section
31 9(a) was enacted in 1999 by Chapter 1507 (S.B. 456),
32 Acts of the 76th Legislature, Regular Session, which
33 took effect August 30, 1999. The revised law omits
34 that provision as executed. The omitted law reads:

35 (b) The exemptions provided by
36 Subsections (a)(1), (2), and (3) of this
37 section take effect on the first day of the
38 first month after the effective date of this
39 Act. The exemption provided by Subsection
40 (a)(4) of this section applies only to a tax
41 imposed under Chapter 171, Tax Code, that
42 becomes due on or after the effective date
43 of this Act.

1 Revised Law

2 Sec. 475.0103. ETHICS REQUIREMENTS RELATING TO CERTAIN
3 COMMITTEES; FINANCIAL DISCLOSURES. (a) A local organizing
4 committee that submits a request under Section 475.0052 must:

5 (1) affirm as a part of that request that the committee
6 is in full compliance with the ethical guidelines provided by all
7 contracts entered into and rules adopted by the site selection
8 organization, including the organization's requirements regarding
9 disclosure of any financial interest a director, officer, or
10 senior-level employee of the committee has in any proposed
11 transaction with the committee;

12 (2) not later than the 15th day of the first month
13 following each calendar quarter, file with the secretary of the
14 endorsing municipality for which the committee submits a request:

15 (A) a certification that the committee continues
16 to comply with the ethical guidelines described by Subdivision (1);
17 and

18 (B) a report of contributions to and expenditures
19 by the committee, in the manner described by Subsection (b); and

20 (3) file with the secretary of the endorsing
21 municipality on April 15 of each year a copy of each financial
22 statement a committee or a member of a committee is required to
23 submit to the United States Olympic Committee during the preceding
24 calendar year.

25 (b) A report under Subsection (a)(2)(B) must include:

26 (1) for each contribution made to the local organizing
27 committee:

28 (A) the contributor's full name and address;

29 (B) the date of the contribution;

30 (C) whether the contribution is cash, made by
31 check, or in-kind; and

32 (D) the amount or market value of the
33 contribution; and

34 (2) for each expenditure made by the local organizing

1 committee:

2 (A) the full name and address of the person who
3 receives payment of the expenditure;

4 (B) the date of the expenditure;

5 (C) the amount of the expenditure; and

6 (D) the purpose of the expenditure.

7 (c) The endorsing municipality for which a local organizing
8 committee submits a request under Section 475.0052 must have a
9 comprehensive ethics code establishing standards of conduct,
10 disclosure requirements, and enforcement mechanisms relating to
11 municipal officials and employees before the office considers the
12 request. (V.A.C.S. Art. 5190.14, Sec. 10.)

13 Source Law

14 Sec. 10. (a) A local organizing committee that
15 submits a request under Section 7(a) of this Act must:

16 (1) affirm as a part of that request that
17 it is fully in compliance with the ethical guidelines
18 set forth in all contracts entered into and rules
19 adopted by the applicable site selection organization,
20 including the site selection organization's
21 requirements regarding disclosure of any financial
22 interest by a director, officer, or senior-level
23 employee of the local organizing committee in any
24 proposed transaction with the local organizing
25 committee;

26 (2) not later than the 15th day of the
27 first month following each calendar quarter, file with
28 the secretary of the endorsing municipality for which
29 the local organizing committee submits a request:

30 (A) a certification that the local
31 organizing committee continues to be in compliance
32 with the ethical guidelines described by Subdivision
33 (1) of this subsection; and

34 (B) a report of contributions to and
35 expenditures by the local organizing committee in the
36 manner described by Subsection (b) of this section;
37 and

38 (3) file with the secretary of the
39 endorsing municipality on April 15 of each year a copy
40 of each financial statement required to be submitted
41 by a local organizing committee or a member of a local
42 organizing committee to the United States Olympic
43 Committee during the preceding calendar year.

44 (b) A report made under Subsection (a)(2)(B) of
45 this section must include:

46 (1) for each contribution made to a local
47 organizing committee:

48 (A) the contributor's full name and
49 address;

50 (B) the date of the contribution;

51 (C) whether the contribution is cash,
52 made by check, or in-kind; and

53 (D) the amount or market value of the
54 contribution; and

1 (2) for each expenditure made by a local
2 organizing committee:

3 (A) the full name and address of the
4 person who receives payment of the expenditure;

5 (B) the date of the expenditure;

6 (C) the purpose of the expenditure;
7 and

8 (D) the amount of the expenditure.

9 (c) The endorsing municipality for which a local
10 organizing committee submits a request under Section
11 7(a) of this Act must have a comprehensive ethics code
12 establishing standards of conduct, disclosure
13 requirements, and enforcement mechanisms relating to
14 city officials and employees before the department may
15 consider the request.

16 Revisor's Note

17 (1) Section 10(a), V.A.C.S. Article 5190.14,
18 refers to a request that is "fully in compliance" with
19 certain ethical guidelines and rules. The revised law
20 omits "fully" because it does not add to the clear
21 meaning of the law.

22 (2) Section 10(c), V.A.C.S. Article 5190.14,
23 refers to "city officials and employees." The revised
24 law substitutes "municipal" for "city" for consistency
25 of terminology because the terms are synonymous and
26 "municipality" is used in this chapter and throughout
27 this subtitle.

28 SUBCHAPTER D. LOCAL GOVERNMENT CORPORATION IN CERTAIN POPULOUS
29 COUNTIES AS ENDORSING MUNICIPALITY OR COUNTY

30 Revised Law

31 Sec. 475.0151. APPLICABILITY. This section applies only to
32 a local government corporation that:

33 (1) is authorized to collect a municipal hotel
34 occupancy tax; and

35 (2) is located in a county with a population of 3.3
36 million or more. (V.A.C.S. Art. 5190.14, Sec. 12(a).)

37 Source Law

38 Sec. 12. (a) This section applies only to a
39 local government corporation that:

40 (1) is authorized to collect a municipal
41 hotel occupancy tax; and

42 (2) is located in a county with a
43 population of 3.3 million or more.

1 games or event the amounts determined by the office under this
2 subtitle.

3 (b) The office shall determine the incremental increase in
4 tax receipts attributable to the games or event and related
5 activities under this subtitle based on the amount of taxes imposed
6 by each municipality or county that comprises the corporation and
7 not on the amount of taxes imposed by the corporation. (V.A.C.S.
8 Art. 5190.14, Sec. 12(c).)

9 Source Law

10 (c) A local government corporation acting as an
11 endorsing municipality or endorsing county under this
12 Act shall remit for deposit into the trust fund
13 established for the games or event the amounts
14 determined by the comptroller under this Act. The
15 comptroller shall determine the incremental increase
16 in receipts attributable to the games or event and
17 related activities under that chapter based on the
18 amount of applicable taxes imposed by each
19 municipality or county that comprises the local
20 government corporation and not on the amount of taxes
21 imposed by the local government corporation.

22 Revisor's Note

23 (1) Section 12(c), V.A.C.S. Article 5190.14,
24 requires a local government corporation acting as an
25 endorsing municipality or endorsing county to remit
26 for deposit into a trust fund established under this
27 subtitle "amounts determined by the comptroller under
28 this Act." Chapter 948 (S.B. 633), Acts of the 84th
29 Legislature, Regular Session, 2015, amended Article
30 5190.14 by transferring the duty to determine the
31 amounts deposited into those trust funds to the Texas
32 Economic Development and Tourism Office with the
33 office of the governor and amended each section that
34 references that determination, other than Section
35 12(c), to reflect that transfer. It is clear from the
36 context of Chapter 948 that all duties to determine
37 amounts to be deposited were transferred from the
38 comptroller to the office. Therefore, for clarity and
39 consistency with the other sections, the revised law

1 substitutes "office" for "comptroller" in the quoted
2 phrase.

3 (2) Section 12(c), V.A.C.S. Article 5190.14,
4 requires a determination of the incremental increase
5 in "receipts" attributable to the games or event. The
6 revised law substitutes "tax receipts" for "receipts"
7 for consistency in terminology used throughout this
8 subtitle and because the incremental increase
9 determination referenced in this subtitle applies only
10 to the determination of an increase in taxes.

11 (3) Section 12(c), V.A.C.S. Article 5190.14,
12 requires a local government corporation acting as an
13 endorsing municipality or endorsing county "under this
14 Act" to remit for deposit amounts determined by the
15 comptroller "under this Act" and requires the
16 comptroller to determine the incremental increase in
17 receipts attributable to the games or event and
18 related activities "under that chapter." The revised
19 law substitutes "this subtitle" for "that chapter"
20 because it is clear from the context that "that
21 chapter" refers to V.A.C.S. Article 5190.14, enacted
22 by Chapter 1507 (S.B. 456), Acts of the 76th
23 Legislature, Regular Session, 1999, which is revised
24 as this subtitle.

25 Revised Law

26 Sec. 475.0154. PLEDGE OF SURCHARGES TO GUARANTEE
27 OBLIGATIONS. A local government corporation acting as an endorsing
28 municipality or endorsing county under this subtitle may guarantee
29 the corporation's obligations under a games support contract or
30 event support contract by pledging surcharges from user fees,
31 including parking or ticket fees, charged in connection with the
32 games or event and related activities. (V.A.C.S. Art. 5190.14,
33 Sec. 12(d).)

Source Law

(d) A local government corporation acting as an endorsing municipality or endorsing county under this Act may guarantee the local government corporation's obligations under a games or event support contract by pledging surcharges from user fees, including parking or ticket fees, charged in connection with the games or event and related activities.

SUBCHAPTER E. CRIMINAL PENALTIES

Revised Law

Sec. 475.0201. OFFENSE OF BRIBERY. (a) In this section, "benefit" has the meaning assigned by Section 36.01, Penal Code.

(b) A person commits an offense if the person intentionally or knowingly offers, confers, or agrees to confer on another person, or solicits, accepts, or agrees to accept from another person, any benefit as consideration for the recipient's decision, opinion, recommendation, vote, or other exercise of discretion as a member or employee of a local organizing committee or site selection organization.

(c) It is a defense to prosecution under Subsection (b) that the benefit conferred is a meal or entertainment reported under Section 475.0103(a)(2)(B).

(d) It is not a defense to prosecution under Subsection (b) that a person whom the actor sought to influence was not qualified to act as the actor intended the person to act.

(e) It is not a defense to prosecution under Subsection (b) that the benefit is not offered or conferred or that the benefit is not solicited or accepted until after:

(1) the decision, opinion, recommendation, vote, or other exercise of discretion has occurred; or

(2) the person whom the actor sought to influence is no longer a member of the local organizing committee or a site selection organization.

(f) An offense under this section is a felony of the second degree. (V.A.C.S. Art. 5190.14, Sec. 11.)

Source Law

Sec. 11. (a) A person commits an offense if the

1 person intentionally or knowingly offers, confers, or
2 agrees to confer on another person, or solicits,
3 accepts, or agrees to accept from another person, any
4 benefit as consideration for the recipient's decision,
5 opinion, recommendation, vote, or other exercise of
6 discretion as a member or employee of a local
7 organizing committee or site selection organization.
8 (b) It is a defense to prosecution under
9 Subsection (a) of this section that the benefit
10 conferred is a meal or entertainment reported under
11 Section 10(a)(2)(B) of this Act.
12 (c) It is not a defense to prosecution under
13 Subsection (a) of this section that a person whom the
14 actor sought to influence was not qualified to act as
15 the actor intended the person to act.
16 (d) It is not a defense to prosecution under
17 Subsection (a) of this section that the benefit is not
18 offered or conferred or that the benefit is not
19 solicited or accepted until after:
20 (1) the decision, opinion,
21 recommendation, vote, or other exercise of discretion
22 has occurred; or
23 (2) the person whom the actor sought to
24 influence is no longer a member of the local organizing
25 committee or a site selection organization.
26 (e) In this section, "benefit" has the meaning
27 assigned by Section 36.01, Penal Code.
28 (f) An offense under this section is a felony of
29 the second degree.

30 CHAPTER 476. PAN AMERICAN GAMES TRUST FUND

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13	CHAPTER 476. PAN AMERICAN GAMES TRUST FUND	
14	SUBCHAPTER A. GENERAL PROVISIONS	
15	<u>Revised Law</u>	
16	Sec. 476.0001.	DEFINITIONS. In this chapter:
17	(1)	"Endorsing municipality" means a municipality
18		that authorizes a bid by a local organizing committee for selection
19		of the municipality as the site of the games.
20	(2)	"Games" means the Pan American Games.
21	(3)	"Site selection organization" means:
22	(A)	the Pan American Sports Organization; or
23	(B)	the United States Olympic Committee.
24	(4)	"Trust fund" means the Pan American Games trust
25		fund established by this chapter. (V.A.C.S. Art. 5190.14, Secs.
26		4(a)(1) as amended Acts 78th Leg., R.S., Ch. 814, (2), (3) (part);
27		New.)
28	<u>Source Law</u>	
29	Sec. 4.	(a) In this section:
30	(1)	"Games" means the Pan American Games.
31	(2)	"Site selection organization" means
32		the United States Olympic Committee or the Pan
33		American Sports Organization.
34	(3)	"Endorsing municipality" means a
35		municipality . . . that authorizes a bid by a local
36		organizing committee for selection of the municipality
37		as the site of the games.

1 Revisor's Note

2 The definition of "trust fund" is added to the
3 revised law for drafting convenience and to eliminate
4 frequent, unnecessary repetition of the substance of
5 the definition.

6 Revised Law

7 Sec. 476.0002. ELIGIBILITY AS ENDORSING MUNICIPALITY. Only
8 a municipality with a population of 850,000 or more is eligible as
9 an endorsing municipality under this chapter. (V.A.C.S. Art.
10 5190.14, Sec. 4(a)(3) (part).)

11 Source Law

12 Sec. 4. (a) In this section:
13 . . .
14 (3) "Endorsing municipality" means a
15 municipality that has a population of 850,000 or more
16 and

17 Revisor's Note

18 Section 4(a)(3), V.A.C.S. Article 5190.14,
19 limits the definition of "endorsing municipality" to a
20 "municipality that has a population of 850,000 or
21 more." The limitation accords the term "municipality"
22 an artificial meaning inconsistent with its ordinary
23 usage. Because the language clearly establishes a
24 limitation restricting the eligibility of an endorsing
25 municipality under Section 4 and creates an artificial
26 definition, the revised law codifies the limitation in
27 a separate section that addresses a municipality's
28 eligibility to serve as an endorsing municipality.

29 SUBCHAPTER B. STATE ACTIONS RELATING TO GAMES

30 Revised Law

31 Sec. 476.0051. DETERMINATION OF INCREMENTAL INCREASE IN
32 CERTAIN TAX RECEIPTS. (a) After a site selection organization
33 selects a site for the games in this state in accordance with an
34 application by a local organizing committee acting on behalf of an
35 endorsing municipality, the office shall determine for each
36 subsequent calendar quarter the incremental increases in the

1 following tax receipts that the office determines are directly
2 attributable to the preparation for and presentation of the games
3 and related events:

4 (1) the receipts to this state from the taxes imposed
5 under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5,
6 Alcoholic Beverage Code, in the market areas designated under
7 Section 476.0053;

8 (2) the receipts collected by this state for the
9 endorsing municipality from the sales and use tax imposed by the
10 municipality under Section 321.101(a), Tax Code; and

11 (3) the receipts collected by the endorsing
12 municipality from the municipality's hotel occupancy tax imposed
13 under Chapter 351, Tax Code.

14 (b) The office shall make the determination required by
15 Subsection (a) in accordance with procedures the office develops.
16 (V.A.C.S. Art. 5190.14, Sec. 4(b) (part).)

17 Source Law

18 (b) If a site selection organization selects a
19 site for the games in this state pursuant to an
20 application by a local organizing committee acting on
21 behalf of an endorsing municipality, . . . the
22 department shall determine for each subsequent
23 calendar quarter, in accordance with procedures
24 developed by the department:

25 (1) the incremental increase in the
26 receipts to the state from the taxes imposed under
27 Chapters 151, 152, 156, and 183, Tax Code, and under
28 Title 5, Alcoholic Beverage Code, within the market
29 areas designated under Subsection (c) of this section,
30 that is directly attributable, as determined by the
31 department, to the preparation for and presentation of
32 the games and related events;

33 (2) the incremental increase in the
34 receipts collected by the state on behalf of the
35 endorsing municipality from the sales and use tax
36 imposed by the endorsing municipality under Section
37 321.101(a), Tax Code, that is directly attributable,
38 as determined by the department, to the preparation
39 for and presentation of the games and related events;
40 and

41 (3) the incremental increase in the
42 receipts collected by the endorsing municipality from
43 the municipality's hotel occupancy tax imposed under
44 Chapter 351, Tax Code, that is directly attributable,
45 as determined by the department, to the preparation
46 for and presentation of the games and related events.

47 Revised Law

48 Sec. 476.0052. TIME FOR DETERMINATION. The office shall

1 determine the incremental increase in tax receipts under Section
2 476.0051 after the first occurrence of a measurable economic impact
3 in this state resulting from the preparation for the games, as
4 determined by the office, but not later than one year before the
5 scheduled opening event of the games. (V.A.C.S. Art. 5190.14, Sec.
6 4(b) (part).)

7 Source Law

8 (b) . . . after the first occurrence of a
9 measurable economic impact in this state as a result
10 of the preparation for the games, as determined by the
11 department, but in no event later than one year before
12 the scheduled opening event of the games, [the
13 department shall determine] . . . :
14 (1) the incremental increase in the
15 receipts . . . from the taxes

16 Revised Law

17 Sec. 476.0053. DESIGNATION OF MARKET AREA. (a) For
18 purposes of Section 476.0051(a)(1), the office shall designate as a
19 market area for the games each area in which the office determines
20 there is a reasonable likelihood of measurable economic impact
21 directly attributable to the preparation for and presentation of
22 the games and related events. The office shall include areas likely
23 to provide venues, accommodations, and services in connection with
24 the games based on the proposal the local organizing committee
25 provides under Section 475.0052.

26 (b) The office shall determine the geographic boundaries of
27 each market area.

28 (c) The endorsing municipality selected as the site for the
29 games must be included in a market area for the games. (V.A.C.S.
30 Art. 5190.14, Sec. 4(c).)

31 Source Law

32 (c) For the purposes of Subsection (b)(1) of
33 this section, the department shall designate as a
34 market area for the games each area in which the
35 department determines there is a reasonable likelihood
36 of measurable economic impact directly attributable to
37 the preparation for and presentation of the games and
38 related events, including areas likely to provide
39 venues, accommodations, and services in connection
40 with the games based on the proposal provided by the
41 local organizing committee under Section 7 of this
42 Act. The department shall determine the geographic
43 boundaries of each market area. The endorsing

1 municipality that has been selected as the site for the
2 games must be included in a market area for the games.

3 Revisor's Note

4 Section 4(c), V.A.C.S. Article 5190.14, refers to
5 a proposal provided under "Section 7 of this Act." The
6 relevant provisions of Section 7 have been revised as
7 Section 475.0052, Government Code, and the revised law
8 is drafted accordingly.

9 Revised Law

10 Sec. 476.0054. ESTIMATE OF TAX REVENUE CREDITED TO TRUST
11 FUND. (a) Not later than September 1 of the year that is eight
12 years before the year the games would be held in this state, the
13 office shall provide an estimate of the total amount of municipal
14 and state tax revenue that would be transferred or deposited to the
15 trust fund before January 1 of the year following the year the games
16 would be held if the games were held in this state at a site selected
17 in accordance with an application by a local organizing committee.

18 (b) The office shall provide the estimate on request to a
19 local organizing committee.

20 (c) A local organizing committee may submit the office's
21 estimate to a site selection organization. (V.A.C.S. Art. 5190.14,
22 Sec. 4(i).)

23 Source Law

24 (i) The department shall provide an estimate not
25 later than September 1 of the year that is eight years
26 before the year in which the games would be held in
27 this state of the total amount of state and municipal
28 tax revenue that would be transferred to or deposited
29 in the Pan American Games trust fund before January 1
30 of the year following the year in which the games would
31 be held, if the games were to be held in this state at a
32 site selected pursuant to an application by a local
33 organizing committee. The department shall provide
34 the estimate on request to a local organizing
35 committee. A local organizing committee may submit
36 the department's estimate to a site selection
37 organization.

38 SUBCHAPTER C. TRUST FUND ESTABLISHMENT, CONTRIBUTION, AND
39 LIMITATION

40 Revised Law

41 Sec. 476.0101. PAN AMERICAN GAMES TRUST FUND. The Pan

1 American Games trust fund is established outside the state
2 treasury. The trust fund is held in trust by the comptroller for
3 administration of this subtitle. (V.A.C.S. Art. 5190.14, Sec. 4(f)
4 (part).)

5 Source Law

6 (f) . . . The Pan American Games trust fund is
7 established outside the treasury but is held in trust
8 by the comptroller for the administration of this
9 Act. . . .

10 Revisor's Note

11 Section 4(f), V.A.C.S. Article 5190.14, refers to
12 "this Act," meaning V.A.C.S. Article 5190.14.
13 Throughout this chapter, the revised law substitutes
14 "this subtitle" for "this Act" because all of the
15 provisions of Article 5190.14 are revised as
16 provisions in Subtitle E-1, Title 4, Government Code.

17 Revised Law

18 Sec. 476.0102. DEPOSIT OF MUNICIPAL TAX REVENUE. (a)
19 Subject to Section 476.0104, the endorsing municipality shall
20 deposit to the trust fund the amount of the municipality's hotel
21 occupancy tax revenue determined under Section 476.0051(a)(3). The
22 endorsing municipality shall deposit the hotel occupancy tax
23 revenue to the trust fund at least quarterly.

24 (b) To guarantee the joint obligations of this state and the
25 endorsing municipality under a games support contract and this
26 subtitle, the comptroller, at the direction of the office, shall
27 retain the amount of municipal sales and use tax revenue determined
28 under Section 476.0051(a)(2) from the amounts otherwise required to
29 be sent to the municipality under Section 321.502, Tax Code, and,
30 subject to Section 476.0104, deposit the retained tax revenue to
31 the trust fund.

32 (c) The comptroller shall begin retaining the municipal
33 sales and use tax revenue with the first distribution of that tax
34 revenue that occurs after the date the office makes the
35 determination under Section 476.0051(a)(2).

1 (d) The comptroller shall discontinue retaining the
2 municipal sales and use tax revenue on the earlier of:

3 (1) the end of the third calendar month following the
4 month in which the closing event of the games occurs; or

5 (2) the date the amount of municipal sales and use tax
6 revenue and municipal hotel occupancy tax revenue in the trust fund
7 equals 14 percent of the maximum amount of municipal and state tax
8 revenue that may be transferred or deposited to the trust fund under
9 Section 476.0104. (V.A.C.S. Art. 5190.14, Secs. 4(d), (f) (part).)

10 Source Law

11 (d) The comptroller, at the direction of the
12 department, shall retain, for the purpose of
13 guaranteeing the joint obligations of the state and
14 the endorsing municipality under a games support
15 contract and this Act, the amount of municipal sales
16 and use tax revenue determined under Subsection (b)(2)
17 of this section from the amounts otherwise required to
18 be sent to the municipality under Section 321.502, Tax
19 Code, beginning with the first distribution of that
20 tax revenue that occurs after the date the department
21 makes the determination of the amount of municipal
22 sales and use tax revenue under Subsection (b)(2). The
23 comptroller shall discontinue retaining municipal
24 sales and use tax revenue under this subsection on the
25 earlier of:

26 (1) the end of the third calendar month
27 following the month in which the closing event of the
28 games occurs; or

29 (2) the date the amount of municipal sales
30 and use tax revenue and municipal hotel occupancy tax
31 revenue in the Pan American Games trust fund equals 14
32 percent of the maximum amount of state and municipal
33 tax revenue that may be transferred to or deposited in
34 the trust fund under Subsection (m) of this section.

35 (f) Subject to Subsection (m) of this section,
36 the comptroller, at the direction of the department,
37 shall deposit into a trust fund designated as the Pan
38 American Games trust fund the amount of municipal
39 sales and use tax revenue retained under Subsection
40 (d) of this section and, Subject to Subsection
41 (m) of this section, the endorsing municipality shall
42 deposit into the trust fund the amount of the endorsing
43 municipality's hotel occupancy tax revenue determined
44 by the department under Subsection (b)(3) of this
45 section. The endorsing municipality shall deposit
46 that hotel occupancy tax revenue into the trust fund at
47 least quarterly. . . .

48 Revised Law

49 Sec. 476.0103. STATE TAX REVENUE. (a) At the time the
50 endorsing municipality deposits to the trust fund its hotel
51 occupancy tax revenue under Section 476.0102(a), the comptroller,

1 at the direction of the office, shall transfer to the trust fund a
2 portion of the state tax revenue determined under Section
3 476.0051(a)(1) in an amount equal to 6.25 multiplied by the amount
4 of that municipal hotel occupancy tax revenue.

5 (b) At the time the comptroller deposits to the trust fund
6 the municipal sales and use tax revenue under Section 476.0102(b),
7 the comptroller, at the direction of the office, shall transfer to
8 the trust fund a portion of the state tax revenue determined under
9 Section 476.0051(a)(1) in an amount equal to 6.25 multiplied by the
10 amount of that municipal sales and use tax revenue.

11 (c) The comptroller shall discontinue transferring to the
12 trust fund any state tax revenue determined under Section
13 476.0051(a)(1) on the earlier of:

14 (1) the end of the third calendar month following the
15 month in which the closing event of the games occurs; or

16 (2) the date the amount of state revenue in the trust
17 fund equals 86 percent of the maximum amount of municipal and state
18 tax revenue that may be transferred or deposited to the trust fund
19 under Section 476.0104. (V.A.C.S. Art. 5190.14, Sec. 4(f) (part).)

20 Source Law

21 (f) [Subject to Subsection (m) of this section,
22 the comptroller, at the direction of the department,
23 shall deposit into a trust fund designated as the Pan
24 American Games trust fund the amount of municipal
25 sales and use tax revenue retained under Subsection
26 (d) of this section and,] at the same time, shall
27 transfer to the fund a portion of the state tax revenue
28 determined by the department under Subsection (b)(1)
29 of this section in an amount equal to 6.25 times the
30 amount of that municipal sales and use tax
31 revenue. . . . When the endorsing municipality makes a
32 deposit of its hotel occupancy tax revenue, the
33 comptroller, at the direction of the department, shall
34 transfer to the fund at the same time a portion of the
35 state tax revenue determined under Subsection (b)(1)
36 of this section in an amount equal to 6.25 times the
37 amount of that municipal hotel occupancy tax
38 revenue. . . . The comptroller shall discontinue
39 transferring into the trust fund any state tax revenue
40 determined by the department under Subsection (b)(1)
41 of this section on the earlier of:

42 (1) the end of the third calendar month
43 following the month in which the closing event of the
44 games occurs; or

45 (2) the date on which the amount of state
46 revenue in the Pan American Games trust fund equals 86
47 percent of the maximum amount of state and municipal

1 tax revenue that may be transferred to or deposited in
2 the trust fund under Subsection (m) of this section.

3 Revised Law

4 Sec. 476.0104. LIMITATION ON TRANSFERS AND DEPOSITS TO
5 TRUST FUND. The total amount of municipal and state tax revenue
6 transferred or deposited to the trust fund may not exceed \$20
7 million. (V.A.C.S. Art. 5190.14, Sec. 4(m) (part).)

8 Source Law

9 (m) In no event may:
10 (1) the total amount of state and
11 municipal tax revenue transferred to or deposited in
12 the Pan American Games trust fund exceed \$20 million;
13 or

14 SUBCHAPTER D. DISBURSEMENTS FROM TRUST FUND

15 Revised Law

16 Sec. 476.0151. DISBURSEMENT WITHOUT APPROPRIATION. Money
17 in the trust fund may be spent by the office without appropriation
18 only as provided by this subtitle. (V.A.C.S. Art. 5190.14, Sec.
19 4(f) (part).)

20 Source Law

21 (f) . . . Money in the trust fund may be spent by
22 the department without appropriation only as provided
23 by this Act. . . .

24 Revised Law

25 Sec. 476.0152. DISBURSEMENT FROM TRUST FUND. (a) The
26 office may make a disbursement from the trust fund only if the
27 office certifies that the disbursement is for a purpose for which
28 this state and the endorsing municipality are jointly obligated
29 under a games support contract or another agreement providing
30 assurances from the office or the municipality to a site selection
31 organization.

32 (b) On a certification described by Subsection (a), the
33 office shall satisfy the obligation:

34 (1) first, from municipal revenue deposited to the
35 trust fund and any interest earned on that municipal revenue; and

36 (2) if the municipal revenue is insufficient to
37 satisfy the entire deficit, from state revenue transferred to the
38 trust fund and any interest earned on that state revenue in an

1 amount sufficient to satisfy the portion of the deficit not covered
2 by the municipal revenue. (V.A.C.S. Art. 5190.14, Secs. 4(g)
3 (part), (j), (k).)

4 Source Law

5 (g) [The department may use the funds . . . only
6 to fulfill joint obligations . . . under a games
7 support contract or] any other agreement providing
8 assurances from the department or the endorsing
9 municipality to a site selection organization.

10 (j) The department may not make a disbursement
11 from the Pan American Games trust fund unless the
12 department certifies that the disbursement is for a
13 purpose for which the state and the endorsing
14 municipality are jointly obligated under a games
15 support contract or other agreement described by
16 Subsection (g) of this section.

17 (k) If the department certifies under
18 Subsection (j) of this section that a disbursement may
19 be made from the Pan American Games trust fund, the
20 obligation shall be satisfied first out of municipal
21 revenue deposited in the trust fund and any interest
22 earned on that municipal revenue. If the municipal
23 revenue is not sufficient to satisfy the entire
24 deficit, state revenue transferred into the trust fund
25 and any interest earned on that state revenue shall be
26 used to satisfy the portion of the deficit not covered
27 by the municipal revenue.

28 Revisor's Note

29 (1) Section 4(j), V.A.C.S. Article 5190.14,
30 provides that the office may not disburse money from
31 the trust fund unless the state and the endorsing
32 municipality are jointly obligated under a games
33 support contract or "other agreement described by
34 Subsection (g) of this section." For the convenience
35 of the reader, the revised law substitutes the
36 language found in Subsection (g) for the
37 cross-reference.

38 (2) Section 4(k), V.A.C.S. Article 5190.14,
39 provides that if the office's certification authorizes
40 a disbursement to be made from the trust fund, the
41 obligation shall be satisfied first from municipal
42 revenue and then from state revenue in the trust fund.
43 The revised law adds language assigning the duty to
44 satisfy the obligation to "the office" for the reasons

1 that follow. It is clear from Section 4(j), V.A.C.S.
2 Article 5190.14, revised in this section, that the
3 office makes the referenced disbursement. However,
4 the comptroller maintains custody of the fund from
5 which the disbursement is made in accordance with
6 Section 4(d), revised as Section 476.0102 of this
7 chapter. As a matter of state fiscal practice, the
8 office administers the fund through the uniform
9 statewide accounting system. The office uses that
10 system to make disbursements by directing the
11 comptroller to pay the money from the fund and to
12 account for those disbursements, including accounting
13 for the satisfaction of a disbursement first from
14 municipal revenue and then from state revenue.

15 Revised Law

16 Sec. 476.0153. ALLOWABLE EXPENSES. The office may use
17 money in the trust fund only to fulfill joint obligations of this
18 state and the endorsing municipality to a site selection
19 organization under a games support contract or another agreement
20 providing assurances from the office or municipality to a site
21 selection organization. (V.A.C.S. Art. 5190.14, Sec. 4(g).)

22 Source Law

23 (g) The department may use the funds in the Pan
24 American Games trust fund only to fulfill joint
25 obligations of the state and the endorsing
26 municipality to a site selection organization under a
27 games support contract or any other agreement
28 providing assurances from the department or the
29 endorsing municipality to a site selection
30 organization.

31 Revisor's Note

32 Section 4(g), V.A.C.S. Article 5190.14, refers to
33 the use of "funds" in the trust fund. The revised law
34 substitutes "money" for "funds" because, in context,
35 the meaning is the same and "money" is the more
36 commonly used term.

Revised Law

Sec. 476.0154. TRANSFER AND REMITTANCE OF REMAINING TRUST FUND MONEY. (a) On January 1 of the second year following the year in which the games are held in this state, the comptroller, at the direction of the office, shall transfer to the general revenue fund the amount of state revenue remaining in the trust fund plus any interest earned on that state revenue.

(b) The comptroller shall remit to the endorsing municipality any money remaining in the trust fund after the required amount is transferred under Subsection (a). (V.A.C.S. Art. 5190.14, Sec. 4(1).)

Source Law

(1) On January 1 of the second year following the year in which the games are held in this state, the comptroller, at the direction of the department, shall transfer to the general revenue fund any money remaining in the Pan American Games trust fund, not to exceed the amount of state revenue remaining in the trust fund, plus any interest earned on that state revenue. The comptroller shall remit to the endorsing municipality any money remaining in the trust fund after the required amount is transferred to the general revenue fund.

Revisor's Note

Section 4(1), V.A.C.S. Article 5190.14, requires the comptroller to transfer to the general revenue fund "any money remaining in the Pan American Games trust fund, not to exceed" the amount of state revenue remaining in the trust fund plus any interest earned on that state revenue. The revised law omits the quoted language as unnecessary because requiring the transfer of any money remaining in the trust fund not to exceed the amount remaining from state revenue plus interest necessarily means that only the remaining money may be transferred.

SUBCHAPTER E. LOCAL POWERS AND DUTIES RELATING TO GAMES

Revised Law

Sec. 476.0201. REQUIRED INFORMATION. (a) A local organizing committee shall provide information required by the

1 office to fulfill the office's duties under this subtitle,
2 including:

3 (1) annual audited statements of any committee
4 financial records required by a site selection organization; and

5 (2) data obtained by the committee relating to:

6 (A) attendance at the games; and

7 (B) the economic impact of the games.

8 (b) A local organizing committee must provide any annual
9 audited financial statement required by the office not later than
10 the end of the fourth month after the last day of the period covered
11 by the financial statement. (V.A.C.S. Art. 5190.14, Sec. 4(h).)

12 Source Law

13 (h) A local organizing committee shall provide
14 information required by the department to enable the
15 department to fulfill the department's duties under
16 this Act, including annual audited statements of the
17 local organizing committee's financial records
18 required by a site selection organization and data
19 obtained by the local organizing committee relating to
20 attendance at the games and to the economic impact of
21 the games. A local organizing committee must provide
22 an annual audited financial statement required by the
23 department not later than the end of the fourth month
24 after the date the period covered by the financial
25 statement ends.

26 Revised Law

27 Sec. 476.0202. PLEDGE OF SURCHARGES TO GUARANTEE
28 OBLIGATIONS. An endorsing municipality may guarantee its
29 obligations under a games support contract and this subtitle by
30 pledging, in addition to municipal sales and use tax revenue
31 retained under Section 476.0102(b), surcharges from user fees
32 charged in connection with presentation of the games, including
33 parking or ticket fees. (V.A.C.S. Art. 5190.14, Sec. 4(e).)

34 Source Law

35 (e) In addition to municipal sales and use tax
36 revenue retained under Subsection (d) of this section,
37 an endorsing municipality may guarantee its
38 obligations under a games support contract and this
39 Act by pledging surcharges from user fees, including
40 parking or ticket fees, charged in connection with
41 presentation of the games.

42 SUBCHAPTER F. LIMITATIONS ON JOINT LIABILITY

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(1) \$20 million; or

(2) the total amount of revenue transferred or deposited to the trust fund and interest earned on the trust fund.

(V.A.C.S. Art. 5190.14, Sec. 4(m) (part).)

(m) In no event may:

(A) \$20 million; or
(B) the total amount of revenue transferred to or deposited in the Pan American Games trust fund and interest earned on the fund.

Section 4(a)(1), V.A.C.S. Article 5190.14, originally defined "games" as the 2007 Pan American Games. Section 3, Chapter 579 (H.B. 1675), Acts of the Legislature, Regular Session, 2003, amended the definition of "games" to mean the 2011 Pan American Games. During the same legislative session, Section 3, Chapter 814 (S.B. 275), Acts of the 78th Legislature, Regular Session, 2003, eliminated the definition of the Pan American Games. The revised law omits the definition of "games" as amended by Chapter 579 for the reason provided by Revisor's Note (4) to Section 001. The omitted law reads:

CHAPTER 477. OLYMPIC GAMES TRUST FUND

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32	SUBCHAPTER A. GENERAL PROVISIONS		
33	<u>Revised Law</u>		
34	Sec. 477.0001.	DEFINITIONS. In this chapter:	

1 convenience of the reader, the revised law substitutes
2 the text of the definition of "endorsing municipality"
3 from Section 476.0001 for the cross-reference to that
4 definition.

5 (2) The definition of "trust fund" is added to
6 the revised law for drafting convenience and to
7 eliminate frequent, unnecessary repetition of the
8 substance of the definition.

9 Revised Law

10 Sec. 477.0002. ELIGIBILITY AS ENDORSING MUNICIPALITY. Only
11 a municipality with a population of 850,000 or more is eligible as
12 an endorsing municipality under this chapter. (V.A.C.S. Art.
13 5190.14, Secs. 4(a)(3) (part), 5(a)(3) (part).)

14 Source Law

15 [Sec. 4. (a)]
16 (3) "Endorsing municipality" means a
17 municipality that has a population of 850,000 or more
18 and

19 [Sec. 5. (a)]
20 (3) ["Endorsing county" means a county in
21 which there is located all or part of] a municipality
22 that has a population of 850,000 or more, or

23 Revisor's Note

24 Section 5(a)(3), V.A.C.S. Article 5190.14,
25 limits part of the definition of "endorsing county" to
26 a county that contains all or part of a "municipality
27 that has a population of 850,000 or more" and defines
28 "endorsing municipality" by referencing the
29 definition of that term in Section 4, V.A.C.S. Article
30 5190.14, which limits the definition of "endorsing
31 municipality" to a "municipality that has a population
32 of 850,000 or more." The limitation accords the term
33 "municipality" an artificial meaning inconsistent
34 with its ordinary usage. Because the language clearly
35 establishes a limitation restricting the eligibility
36 of an endorsing municipality under Section 5 and
37 creates an artificial definition, the revised law

1 codifies the limitation in a separate section that
2 addresses a municipality's eligibility to serve as an
3 endorsing municipality.

4 SUBCHAPTER B. STATE ACTIONS RELATING TO GAMES

5 Revised Law

6 Sec. 477.0051. DETERMINATION OF INCREMENTAL INCREASE IN
7 CERTAIN TAX RECEIPTS. (a) After a site selection organization
8 selects a site for the games in this state in accordance with an
9 application by a local organizing committee, the office shall
10 determine for each subsequent calendar quarter the incremental
11 increases in the following tax receipts that the office determines
12 are directly attributable to the preparation for and presentation
13 of the games and related events:

14 (1) the receipts to this state from the taxes imposed
15 under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5,
16 Alcoholic Beverage Code, in the market areas designated under
17 Section 477.0053;

18 (2) the receipts collected by this state for each
19 endorsing municipality from the sales and use tax imposed by the
20 municipality under Section 321.101(a), Tax Code, and the mixed
21 beverage tax revenue to be received by the municipality under
22 Section 183.051(b), Tax Code;

23 (3) the receipts collected by this state for each
24 endorsing county from the sales and use tax imposed by the county
25 under Section 323.101(a), Tax Code, and the mixed beverage tax
26 revenue received by the county under Section 183.051(b), Tax Code;

27 (4) the receipts collected by each endorsing
28 municipality from the hotel occupancy tax imposed under Chapter
29 351, Tax Code; and

30 (5) the receipts collected by each endorsing county
31 from the hotel occupancy tax imposed under Chapter 352, Tax Code.

32 (b) The office shall make the determination required by
33 Subsection (a) in accordance with procedures the office develops.
34 (V.A.C.S. Art. 5190.14, Sec. 5(b) (part).)

Source Law

(b) If a site selection organization selects a site for the games in this state pursuant to an application by a local organizing committee, . . . the department shall determine for each subsequent calendar quarter, in accordance with procedures developed by the department:

(1) the incremental increase in the receipts to the state from the taxes imposed under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5, Alcoholic Beverage Code, within the market areas designated under Subsection (c) of this section, that is directly attributable, as determined by the department, to the preparation for and presentation of the games and related events;

(2) the incremental increase in the receipts collected by the state on behalf of each endorsing municipality from the sales and use tax imposed by the endorsing municipality under Section 321.101(a), Tax Code, and the mixed beverage tax revenue to be received by the endorsing municipality under Section 183.051(b), Tax Code, that is directly attributable, as determined by the department, to the preparation for and presentation of the games and related events;

(3) the incremental increase in the receipts collected by the state on behalf of each endorsing county from the sales and use tax imposed by the county under Section 323.101(a), Tax Code, and the mixed beverage tax revenue to be received by the endorsing county under Section 183.051(b), Tax Code, that is directly attributable, as determined by the department, to the preparation for and presentation of the games and related events;

(4) the incremental increase in the receipts collected by each endorsing municipality from the hotel occupancy tax imposed under Chapter 351, Tax Code, that is directly attributable, as determined by the department, to the preparation for and presentation of the games and related events; and

(5) the incremental increase in the receipts collected by each endorsing county from the hotel occupancy tax imposed under Chapter 352, Tax Code, that is directly attributable, as determined by the department, to the preparation for and presentation of the games and related events.

Revised Law

Sec. 477.0052. TIME FOR DETERMINATION. The office shall determine the incremental increase in tax receipts under Section 477.0051 after the first occurrence of a measurable economic impact in this state resulting from the preparation for the games, as determined by the office, but not later than one year before the scheduled opening event of the games. (V.A.C.S. Art. 5190.14, Sec. 5(b) (part).)

Source Law

(b) . . . after the first occurrence of a

1 measurable economic impact in this state as a result of
2 the preparation for the games, as determined by the
3 department, but in no event later than one year before
4 the scheduled opening event of the games, [the
5 department shall determine] . . . :

6 (1) the incremental increase in the
7 receipts . . . from the taxes

8 Revised Law

9 Sec. 477.0053. DESIGNATION OF MARKET AREA. (a) For
10 purposes of Section 477.0051(a)(1), the office shall designate as a
11 market area for the games each area in which the office determines
12 there is a reasonable likelihood of measurable economic impact
13 directly attributable to the preparation for and presentation of
14 the games and related events. The office shall include areas likely
15 to provide venues, accommodations, and services in connection with
16 the games based on the proposal the local organizing committee
17 provides under Section 475.0052.

18 (b) The office shall determine the geographic boundaries of
19 each market area.

20 (c) Each endorsing municipality or endorsing county
21 selected as the site for the games must be included in a market area
22 for the games. (V.A.C.S. Art. 5190.14, Sec. 5(c).)

23 Source Law

24 (c) For the purposes of Subsection (b)(1) of
25 this section, the department shall designate as a
26 market area for the games each area in which the
27 department determines there is a reasonable likelihood
28 of measurable economic impact directly attributable to
29 the preparation for and presentation of the games and
30 related events, including areas likely to provide
31 venues, accommodations, and services in connection
32 with the games based on the proposal provided by the
33 local organizing committee under Section 7 of this
34 Act. The department shall determine the geographic
35 boundaries of each market area. Each endorsing
36 municipality or endorsing county that has been
37 selected as the site for the games must be included in
38 a market area for the games.

39 Revisor's Note

40 Section 5(c), V.A.C.S. Article 5190.14, refers to
41 a proposal provided under "Section 7 of this Act." The
42 relevant provisions of Section 7 have been revised as
43 Section 475.0052, Government Code, and the revised law
44 is drafted accordingly.

1 Revised Law

2 Sec. 477.0054. ESTIMATE OF TAX REVENUE CREDITED TO TRUST
3 FUND. (a) Before August 31 of the year that is 12 years before the
4 year the games would be held in this state, or as soon as
5 practicable after that date, the office shall provide an estimate
6 of the total amount of municipal, county, and state tax revenue that
7 would be transferred or deposited to the trust fund if the games
8 were held in this state at a site selected in accordance with an
9 application by a local organizing committee.

10 (b) The office shall provide the estimate on request to a
11 local organizing committee.

12 (c) A local organizing committee may submit the office's
13 estimate to a site selection organization. (V.A.C.S. Art. 5190.14,
14 Sec. 5(i).)

15 Source Law

16 (i) The department shall provide an estimate
17 before August 31 of the year that is 12 years before
18 the year in which the games would be held in this
19 state, or as soon as practical after that date, of the
20 total amount of state, municipal, and county tax
21 revenue that would be transferred to or deposited in
22 the Olympic Games trust fund if the games were to be
23 held in this state at a site selected pursuant to an
24 application by a local organizing committee. The
25 department shall provide the estimate on request to a
26 local organizing committee. A local organizing
27 committee may submit the department's estimate to a
28 site selection organization.

29 SUBCHAPTER C. TRUST FUND ESTABLISHMENT, CONTRIBUTION, AND
30 LIMITATION

31 Revised Law

32 Sec. 477.0101. OLYMPIC GAMES TRUST FUND. The Olympic Games
33 trust fund is established outside the treasury. The trust fund is
34 held in trust by the comptroller for the administration of this
35 subtitle. (V.A.C.S. Art. 5190.14, Sec. 5(f) (part).)

36 Source Law

37 (f) . . . The Olympic Games trust fund is
38 established outside the treasury but is held in trust
39 by the comptroller for the administration of this Act.
40 . . .

1 on the earlier of:

2 (1) the end of the third calendar month following the
3 month in which the closing event of the games occurs; or

4 (2) the date the amount of municipal and county sales
5 and use tax revenue and mixed beverage tax revenue in the trust fund
6 equals 14 percent of the maximum amount of municipal, county, and
7 state tax revenue that may be transferred or deposited to the trust
8 fund under Section 477.0104. (V.A.C.S. Art. 5190.14, Secs. 5(d),
9 (f) (part).)

10 Source Law

11 (d) Subject to Section 6 of this Act, the
12 comptroller, at the direction of the department, shall
13 retain, for the purpose of guaranteeing the joint
14 obligations of the state and an endorsing municipality
15 or endorsing county under a games support contract and
16 this Act, the amount of sales and use tax revenue and
17 mixed beverage tax revenue determined under Subsection
18 (b)(2) or (b)(3) of this section from the amounts
19 otherwise required to be sent to the municipality
20 under Section 183.051(b) or 321.502, Tax Code, or to
21 the county under Section 183.051(b) or 323.502, Tax
22 Code, beginning with the first distribution of that
23 tax revenue that occurs after the date the department
24 makes the determination of the amount of sales and use
25 tax revenue and mixed beverage tax revenue under
26 Subsection (b)(2) or (b)(3) of this section. The
27 comptroller shall discontinue retaining sales and use
28 tax revenue and mixed beverage tax revenue under this
29 subsection on the earlier of:

30 (1) the end of the third calendar month
31 following the month in which the closing event of the
32 games occurs; or

33 (2) the date the amount of local sales and
34 use tax revenue and mixed beverage tax revenue in the
35 Olympic Games trust fund equals 14 percent of the
36 maximum amount of state and local tax revenue that may
37 be transferred to or deposited in the trust fund under
38 Subsection (m) of this section.

39 (f) Subject to Subsection (m) of this section,
40 each endorsing municipality or endorsing county shall
41 remit to the comptroller and the comptroller, at the
42 direction of the department, shall deposit into a
43 trust fund designated as the Olympic Games trust fund,
44 on a quarterly basis, the amount of the municipality's
45 or county's hotel occupancy tax revenue determined by
46 the department under Subsection (b)(4) or (b)(5) of
47 this section, as applicable. Subject to Section 6 of
48 this Act and Subsection (m) of this section, the
49 comptroller, at the direction of the department, shall
50 deposit into the trust fund the amount of sales and use
51 tax revenue and mixed beverage tax revenue retained
52 under Subsection (d) of this section for the same
53 calendar quarter and,

1 Revisor's Note

2 Section 5(d)(2), V.A.C.S. Article 5190.14,
3 refers to the transfer or deposit of state and "local"
4 tax revenue. It is clear from the context that "local"
5 tax revenue means municipal and county tax revenue.
6 For clarity and consistency in the terminology used,
7 the revised law substitutes "municipal, [and] county"
8 for "local."

9 Revised Law

10 Sec. 477.0103. STATE TAX REVENUE. (a) At the time the
11 comptroller deposits to the trust fund the municipal and county tax
12 revenue under Section 477.0102(b), the comptroller shall transfer
13 to the trust fund the state tax revenue determined under Section
14 477.0051(a)(1) for the quarter.

15 (b) The comptroller shall discontinue transferring the
16 amount of state tax revenue determined under Section 477.0051(a)(1)
17 on the earlier of:

18 (1) the end of the third calendar month following the
19 month in which the closing event of the games occurs; or

20 (2) the date the amount of state revenue in the trust
21 fund equals 86 percent of the maximum amount of municipal, county,
22 and state tax revenue that may be transferred or deposited to the
23 trust fund under Section 477.0104. (V.A.C.S. Art. 5190.14, Sec.
24 5(f) (part).)

25 Source Law

26 (f) [Subject to Subsection (m) of this section,
27 each endorsing municipality or endorsing county shall
28 remit to the comptroller and the comptroller, at the
29 direction of the department, shall deposit into a
30 trust fund designated as the Olympic Games trust fund,
31 on a quarterly basis, the amount of the municipality's
32 or county's hotel occupancy tax revenue determined by
33 the department under Subsection (b)(4) or (b)(5) of
34 this section, as applicable. Subject to Section 6 of
35 this Act and Subsection (m) of this section, the
36 comptroller, at the direction of the department, shall
37 deposit into the trust fund the amount of sales and use
38 tax revenue and mixed beverage tax revenue retained
39 under Subsection (d) of this section for the same
40 calendar quarter and,] at the same time, shall
41 transfer to the fund the state tax revenue determined
42 by the department under Subsection (b)(1) of this

1 section for the quarter. . . . The comptroller shall
2 discontinue transfer of the amount of state tax
3 revenue determined by the department under Subsection
4 (b)(1) of this section on the earlier of:

5 (1) the end of the third calendar month
6 following the month in which the closing event of the
7 games occurs; or

8 (2) the date the amount of state revenue in
9 the Olympic Games trust fund equals 86 percent of the
10 maximum amount of state, municipal, and county tax
11 revenue that may be transferred to or deposited in the
12 trust fund under Subsection (m) of this section.

13 Revised Law

14 Sec. 477.0104. LIMITATION ON TRANSFERS AND DEPOSITS TO
15 TRUST FUND. The total amount of municipal, county, and state tax
16 revenue transferred or deposited to the trust fund may not exceed
17 \$100 million. (V.A.C.S. Art. 5190.14, Sec. 5(m) (part).)

18 Source Law

19 (m) In no event may:
20 (1) the total amount of state, municipal,
21 and county tax revenue transferred to or deposited in
22 the Olympic Games trust fund exceed \$100 million; or
23 . . .

24 SUBCHAPTER D. DISBURSEMENTS FROM TRUST FUND

25 Revised Law

26 Sec. 477.0151. DISBURSEMENT WITHOUT APPROPRIATION. Money
27 in the trust fund may be spent by the office without appropriation
28 only as provided by this subtitle. (V.A.C.S. Art. 5190.14, Sec.
29 5(f) (part).)

30 Source Law

31 (f) . . . Money in the trust fund may be spent by
32 the department without appropriation only as provided
33 by this Act. . . .

34 Revised Law

35 Sec. 477.0152. DISBURSEMENT FROM TRUST FUND. (a) The
36 office may make a disbursement from the trust fund only if the
37 office certifies that the disbursement is for a purpose for which
38 this state and each endorsing municipality and endorsing county are
39 jointly obligated under a games support contract or another
40 agreement providing assurances from the office or an endorsing
41 municipality or endorsing county to a site selection organization.

42 (b) On a certification described by Subsection (a), the
43 office shall satisfy the obligation proportionately from the state

1 and municipal or county revenue in the trust fund. (V.A.C.S. Art.
2 5190.14, Secs. 5(j) (part), (k).)

3 Source Law

4 (j) The department may not make a disbursement
5 from the Olympic Games trust fund unless the
6 department certifies that the disbursement is for a
7 purpose for which the state and each endorsing
8 municipality or endorsing county are jointly obligated
9 under a games support contract or other agreement
10 described by Subsection (g) of this section. . . .

11 (k) If the department certifies under
12 Subsection (j) of this section that a disbursement may
13 be made from the Olympic Games trust fund, the
14 obligation shall be satisfied proportionately from the
15 state and municipal or county revenue in the trust
16 fund.

17 Revisor's Note

18 (1) Section 5(j), V.A.C.S. Article 5190.14,
19 provides that the office may make a disbursement from
20 the trust fund only if the office certifies the
21 disbursement is for a joint obligation of "each
22 endorsing municipality or endorsing county" under a
23 games support contract or "other agreement described
24 by Subsection (g) of this section." For the
25 convenience of the reader, the revised law substitutes
26 the language found in Subsection (g), revised as
27 Section 477.0153 of this chapter, for the
28 cross-reference. Throughout this chapter, the revised
29 law also substitutes "and" for "or" in the quoted
30 language referencing endorsing entities for clarity
31 because "each" implies that a disbursement from the
32 fund requires the approval of all endorsing entities,
33 not just all endorsing municipalities or all endorsing
34 counties.

35 (2) Section 5(k), V.A.C.S. Article 5190.14,
36 provides that if the office's certification authorizes
37 a disbursement from the trust fund, "the obligation
38 shall be satisfied proportionately from the state and
39 municipal or county revenue in the trust fund." The
40 revised law adds language assigning the duty to

1 satisfy the obligation to "the office" for the reasons
2 that follow. It is clear from Section 5(j), V.A.C.S.
3 Article 5190.14, revised in part in this section, that
4 the office makes the referenced disbursement.
5 However, the comptroller maintains custody of the fund
6 from which the disbursement is made in accordance with
7 Section 5(d), revised as Section 477.0102 of this
8 chapter. As a matter of state fiscal practice, the
9 office administers the fund through the uniform
10 statewide accounting system. The office uses that
11 system to make disbursements by directing the
12 comptroller to pay the money from the fund and to
13 account for those disbursements, including accounting
14 for the proportionate satisfaction of a disbursement
15 from state and municipal or county revenue.

16 Revised Law

17 Sec. 477.0153. ALLOWABLE EXPENSES. The office may use
18 money in the trust fund only to fulfill joint obligations of this
19 state and each endorsing municipality and endorsing county to a
20 site selection organization under a games support contract or
21 another agreement providing assurances from the office or the
22 municipality or county to a site selection organization. (V.A.C.S.
23 Art. 5190.14, Sec. 5(g).)

24 Source Law

25 (g) The department may use the funds in the
26 Olympic Games trust fund only to fulfill joint
27 obligations of the state and each endorsing
28 municipality or endorsing county to a site selection
29 organization under a games support contract or any
30 other agreement providing assurances from the
31 department or the municipality or county to a site
32 selection organization.

33 Revisor's Note

34 Section 5(g), V.A.C.S. Article 5190.14, refers to
35 the use of "funds" in the trust fund. The revised law
36 substitutes "money" for "funds" because, in context,
37 the meaning is the same and "money" is the more

commonly used term.

Revised Law

Sec. 477.0154. PROHIBITED DISBURSEMENT. The office may not make a disbursement from the trust fund that the office determines would be used to solicit the relocation of a professional sports franchise located in this state. (V.A.C.S. Art. 5190.14, Sec. 5(j) (part).)

Source Law

(j) . . . A disbursement may not be made from the trust fund that the department determines would be used for the purpose of soliciting the relocation of a professional sports franchise located in this state.

Revised Law

Sec. 477.0155. TRANSFER AND REMITTANCE OF REMAINING TRUST FUND MONEY. (a) Two years after the closing event of the games, the office shall transfer to the general revenue fund the amount of state revenue remaining in the trust fund plus any interest earned on that state revenue.

(b) The office shall remit to each endorsing entity in proportion to the amount contributed by the entity any money remaining in the trust fund after the required amount is transferred under Subsection (a). (V.A.C.S. Art. 5190.14, Sec. 5(1).)

Source Law

(1) Two years after the closing event of the games, the department shall transfer to the general revenue fund any money remaining in the Olympic Games trust fund, not to exceed the amount of state revenue remaining in the trust fund, plus any interest earned on that state revenue. The department shall remit to each endorsing entity in proportion to the amount contributed by the entity any money remaining in the trust fund after the required amount is transferred to the general revenue fund.

Revisor's Note

Section 5(1), V.A.C.S. Article 5190.14, requires the comptroller to transfer to the general revenue fund "any money remaining in the Olympic Games trust fund, not to exceed" the amount of state revenue remaining in the trust fund plus any interest earned on

1 that state revenue. The revised law omits the quoted
2 language as unnecessary because requiring the transfer
3 of any money remaining in the trust fund not to exceed
4 the amount remaining from state revenue plus interest
5 necessarily means that only the remaining money may be
6 transferred.

7 SUBCHAPTER E. LOCAL POWERS AND DUTIES RELATING TO GAMES

8 Revised Law

9 Sec. 477.0201. REQUIRED INFORMATION. (a) A local
10 organizing committee shall provide information required by the
11 office to fulfill the office's duties under this subtitle,
12 including:

13 (1) annual audited statements of any committee
14 financial records required by a site selection organization; and

15 (2) data obtained by the committee relating to:

16 (A) attendance at the games; and

17 (B) the economic impact of the games.

18 (b) A local organizing committee must provide any annual
19 audited financial statement required by the office not later than
20 the end of the fourth month after the last day of the period covered
21 by the financial statement. (V.A.C.S. Art. 5190.14, Sec. 5(h).)

22 Source Law

23 (h) A local organizing committee shall provide
24 information required by the department to enable the
25 department to fulfill the department's duties under
26 this Act, including annual audited statements of the
27 local organizing committee's financial records
28 required by a site selection organization and data
29 obtained by the local organizing committee relating to
30 attendance at the games and to the economic impact of
31 the games. A local organizing committee must provide
32 an annual audited financial statement required by the
33 department not later than the end of the fourth month
34 after the date the period covered by the financial
35 statement ends.

36 Revised Law

37 Sec. 477.0202. PLEDGE OF SURCHARGES TO GUARANTEE
38 OBLIGATIONS. An endorsing municipality or endorsing county may
39 guarantee its obligations under a games support contract and this
40 subtitle by pledging, in addition to sales and use tax revenue,

1 mixed beverage tax revenue, and hotel occupancy tax revenue
2 retained under Section 477.0102, surcharges from user fees charged
3 in connection with the presentation of the games, including parking
4 or ticket fees. (V.A.C.S. Art. 5190.14, Sec. 5(e).)

5 Source Law

6 (e) In addition to sales and use tax revenue and
7 mixed beverage tax revenue retained under Subsection
8 (d) of this section and hotel occupancy tax revenue
9 retained under Subsection (f) of this section, an
10 endorsing municipality or endorsing county may
11 guarantee its obligations under a games support
12 contract and this Act by pledging surcharges from user
13 fees, including parking or ticket fees, charged in
14 connection with presentation of the games.

15 Revised Law

16 Sec. 477.0203. MUNICIPAL OR COUNTY ELECTION. (a) An
17 endorsing municipality or endorsing county must hold an election in
18 the municipality or county to determine whether the municipality or
19 county may contribute a portion of its sales and use taxes to the
20 trust fund under this chapter. The election must be held on a
21 uniform election date before the date a site selection organization
22 requires the endorsing municipality or endorsing county and the
23 state to enter into a joinder undertaking relating to the
24 applicable games.

25 (b) If an endorsing municipality or endorsing county is
26 required to hold an election under this section and the
27 contribution of a portion of the municipality's or county's sales
28 and use taxes to the trust fund under this chapter is not approved
29 by a majority of the voters voting in the election:

30 (1) the comptroller may not establish the trust fund
31 under this chapter, may not retain the municipality's or county's
32 tax revenue under Section 477.0102 from amounts otherwise required
33 to be sent to that municipality or county, and may not transfer any
34 state tax revenue into the trust fund;

35 (2) the office is not required to determine the
36 incremental increase in municipal, county, or state tax revenue
37 under Section 477.0051; and

38 (3) the office may not enter into a games support

1 contract relating to the games for which the municipality or county
2 has authorized a bid on its behalf.

3 (c) Notwithstanding any other provisions of this subtitle,
4 an endorsing municipality or endorsing county is not required to
5 hold an election to contribute its mixed beverage tax revenue or its
6 hotel occupancy tax revenue to the trust fund under this chapter.
7 (V.A.C.S. Art. 5190.14, Sec. 6.)

8 Source Law

9 Sec. 6. (a) Except as provided by Subsections
10 (b) and (d) of this section, an endorsing municipality
11 or endorsing county must hold an election in the
12 municipality or county to determine whether the
13 municipality or county may contribute a portion of its
14 sales and use taxes to the Olympic Games trust fund
15 under Section 5 of this Act. The election must be held
16 on a uniform election date before the date a site
17 selection organization requires the endorsing
18 municipality or endorsing county and the state to
19 enter into a joinder undertaking relating to the
20 applicable games.

21 (b) If an endorsing municipality or endorsing
22 county is required to hold an election under this
23 section and the contribution of a portion of the
24 municipality's or county's sales and use taxes to the
25 Olympic Games trust fund under Section 5 of this Act is
26 not approved by a majority of the voters voting in the
27 election:

28 (1) the comptroller may not establish the
29 Olympic Games trust fund under Section 5 of this Act,
30 may not retain the municipality's or county's tax
31 revenue under Section 5(d) of this Act from amounts
32 otherwise required to be sent to that municipality or
33 county, and may not transfer any state tax revenue into
34 the trust fund;

35 (2) the department is not required to
36 determine the incremental increase in state, county,
37 or municipal tax revenue under Section 5(b) of this
38 Act; and

39 (3) the department may not enter into a
40 games support contract relating to the games for which
41 the municipality or county has authorized a bid on its
42 behalf.

43 (c) Notwithstanding any other provisions of
44 this Act, an endorsing municipality or endorsing
45 county is not required to hold an election in order to
46 contribute its mixed beverage tax revenue or its hotel
47 occupancy tax revenue to the Olympic Games trust fund
48 under Section 5 of this Act.

49 Revisor's Note

50 Section 6(a), V.A.C.S. Article 5190.14, provides
51 that an endorsing municipality or endorsing county
52 must hold an election "[e]xcept as provided by
53 Subsections (b) and (d) of this section." The revised

law omits the quoted language because Subsection (b) does not provide an exception to the general rule that an election must be held, and Section 6 does not include a Subsection (d).

SUBCHAPTER F. LIMITATIONS ON JOINT LIABILITY

Revised Law

Sec. 477.0251. LIMITATION AMOUNTS. The joint liability of this state and an endorsing municipality or endorsing county under a joinder agreement and any other games support contracts entered into under this subtitle may not exceed the lesser of:

- (1) \$100 million; or
 - (2) the total amount of revenue transferred or deposited to the trust fund and interest earned on the trust fund.
- (V.A.C.S. Art. 5190.14, Sec. 5(m) (part).)

Source Law

- (m) In no event may:
- (2) the joint liability of the state and an endorsing municipality or county under a joinder agreement and any other games support contracts entered into pursuant to this Act exceed the lesser of:
 - (A) \$100 million; or
 - (B) the total amount of revenue transferred to or deposited in the Olympic Games trust fund and interest earned on the fund.

CHAPTER 478. MAJOR EVENTS REIMBURSEMENT PROGRAM

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33	SUBCHAPTER A. GENERAL PROVISIONS		

Revised Law

Sec. 478.0001. DEFINITIONS. In this chapter:

(1) "Endorsing county" means:

(A) a county that contains a site selected by a site selection organization for an event; or

(B) a county that:

(i) does not contain a site selected by a site selection organization for an event;

(ii) is included in the market area for the event as designated by the office; and

(iii) is a party to an event support contract.

(2) "Endorsing municipality" means:

(A) a municipality that contains a site selected by a site selection organization for an event; or

(B) a municipality that:

(i) does not contain a site selected by a site selection organization for an event;

(ii) is included in the market area for the event as designated by the office; and

(iii) is a party to an event support contract.

(3) "Event" means any of the following and includes any activity related to or associated with the following:

(A) the Academy of Country Music Awards;

(B) the Amateur Athletic Union Junior Olympic Games;

(C) the Breeders' Cup World Championships;

(D) a game of the College Football Playoff or its successor;

(E) an Elite Rodeo Association World Championship;

(F) a Formula One automobile race;

(G) the largest event held each year at a sports

1 entertainment venue in this state with a permanent seating
2 capacity, including grandstand and premium seating, of at least
3 125,000;

4 (H) the Major League Baseball All-Star Game;

5 (I) the Major League Soccer All-Star Game or the
6 Major League Soccer Cup;

7 (J) a mixed martial arts championship;

8 (K) the Moto Grand Prix of the United States;

9 (L) the National Association for Stock Car Auto
10 Racing (NASCAR):

11 (i) All-Star Race; or

12 (ii) season-ending Championship Race;

13 (M) the National Basketball Association All-Star
14 Game;

15 (N) a National Collegiate Athletic Association
16 Final Four tournament game;

17 (O) the National Collegiate Athletic Association
18 men's or women's lacrosse championships;

19 (P) a national collegiate championship of an
20 amateur sport sanctioned by the national governing body of the
21 sport that is recognized by the United States Olympic Committee;

22 (Q) the National Cutting Horse Association
23 Triple Crown;

24 (R) the National Hockey League All-Star Game;

25 (S) a national political convention of the
26 Republican National Committee or the Democratic National
27 Committee;

28 (T) an Olympic activity, including a Junior or
29 Senior activity, training program, or feeder program sanctioned by
30 the United States Olympic Committee's Community Olympic
31 Development Program;

32 (U) a presidential general election debate;

33 (V) the Professional Rodeo Cowboys Association
34 National Finals Rodeo;

1 (W) a Super Bowl;

2 (X) the United States Open Championship;

3 (Y) a World Cup soccer game or the World Cup

4 soccer tournament;

5 (Z) the World Games; or

6 (AA) the X Games.

7 (4) "Event support contract" means a joinder

8 undertaking, joinder agreement, or similar contract executed by a

9 site selection organization and a local organizing committee, an

10 endorsing municipality, or an endorsing county.

11 (5) "Fund" means the major events reimbursement

12 program fund.

13 (6) "Program" means the major events reimbursement

14 program.

15 (7) "Site selection organization" means:

16 (A) the Academy of Country Music;

17 (B) the Amateur Athletic Union;

18 (C) the College Football Playoff selection

19 committee;

20 (D) the Commission on Presidential Debates;

21 (E) the Democratic National Committee;

22 (F) Dorna Sports;

23 (G) the Elite Rodeo Association;

24 (H) ESPN or an affiliate;

25 (I) the Federation Internationale de Football

26 Association (FIFA);

27 (J) the International World Games Association;

28 (K) Major League Baseball;

29 (L) Major League Soccer;

30 (M) the National Association for Stock Car Auto

31 Racing (NASCAR);

32 (N) the National Basketball Association;

33 (O) the National Collegiate Athletic

34 Association;

1 (P) the National Cutting Horse Association;
2 (Q) the National Football League;
3 (R) the National Hockey League;
4 (S) the Professional Rodeo Cowboys Association;
5 (T) the Republican National Committee;
6 (U) the Ultimate Fighting Championship;
7 (V) the United States Golf Association;
8 (W) the United States Olympic Committee; or
9 (X) the national governing body of a sport that
10 is recognized by:

11 (i) the Federation Internationale de
12 l'Automobile;

13 (ii) Formula One Management Limited;

14 (iii) the National Thoroughbred Racing
15 Association; or

16 (iv) the United States Olympic Committee.

17 (V.A.C.S. Art. 5190.14, Sec. 5A(a); New.)

18 Source Law

19 Sec. 5A. (a) In this section:

20 (1) "Endorsing county" means:

21 (A) a county that contains a site
22 selected by a site selection organization for one or
23 more events; or

24 (B) a county that:

25 (i) does not contain a site
26 selected by a site selection organization for an
27 event;

28 (ii) is included in the market
29 area for the event as designated by the department; and

30 (iii) is a party to an event
31 support contract.

32 (2) "Endorsing municipality" means:

33 (A) a municipality that contains a
34 site selected by a site selection organization for one
35 or more events; or

36 (B) a municipality that:

37 (i) does not contain a site
38 selected by a site selection organization for an
39 event;

40 (ii) is included in the market
41 area for the event as designated by the department; and

42 (iii) is a party to an event
43 support contract.

44 (3) "Event support contract" means a
45 joinder undertaking, joinder agreement, or a similar
46 contract executed by a local organizing committee, an
47 endorsing municipality, or an endorsing county and a
48 site selection organization.

49 (4) "Event" means a Super Bowl, a National

1 Collegiate Athletic Association Final Four tournament
2 game, the National Basketball Association All-Star
3 Game, the X Games, the National Hockey League All-Star
4 Game, the Major League Baseball All-Star Game, a game
5 of the National Collegiate Athletic Association Bowl
6 Championship Series or its successor or a National
7 Collegiate Athletic Association Division I Football
8 Bowl Subdivision postseason playoff or championship
9 game, the National Collegiate Athletic Association
10 men's or women's lacrosse championships, a World Cup
11 Soccer game, the World Cup soccer tournament, the
12 Major League Soccer All-Star Game, the Major League
13 Soccer Cup, the Professional Rodeo Cowboys Association
14 National Finals Rodeo, an Elite Rodeo Association
15 World Championship, the United States Open
16 Championship, the World Games, a national collegiate
17 championship of an amateur sport sanctioned by the
18 national governing body of the sport that is
19 recognized by the United States Olympic Committee, an
20 Olympic activity, including a Junior or Senior
21 activity, training program, or feeder program
22 sanctioned by the United States Olympic Committee's
23 Community Olympic Development Program, the Amateur
24 Athletic Union Junior Olympic Games, a mixed martial
25 arts championship, the Breeders' Cup World
26 Championships, a Formula One automobile race, the Moto
27 Grand Prix of the United States, the National
28 Association for Stock Car Auto Racing (NASCAR)
29 All-Star Race, the season-ending Championship Race for
30 the National Association for Stock Car Auto Racing
31 (NASCAR), the Academy of Country Music Awards, the
32 National Cutting Horse Association Triple Crown, a
33 national political convention of the Republican
34 National Committee or the Democratic National
35 Committee, a presidential general election debate, or
36 the largest event held each year at a sports
37 entertainment venue in this state with a permanent
38 seating capacity, including grandstand and premium
39 seating, of not less than 125,000. The term includes
40 any activities related to or associated with an event.

41 (5) "Site selection organization" means:

42 (A) the National Football League, the
43 National Collegiate Athletic Association, the
44 National Basketball Association, ESPN or an affiliate,
45 the National Hockey League, Major League Baseball, the
46 Federation Internationale de Football Association
47 (FIFA), the International World Games Association, the
48 National Association for Stock Car Auto Racing
49 (NASCAR), Dorna Sports, the Amateur Athletic Union,
50 the Professional Rodeo Cowboys Association, the Elite
51 Rodeo Association, Major League Soccer, the United
52 States Golf Association, or the United States Olympic
53 Committee;

54 (B) the national governing body of a
55 sport that is recognized by the United States Olympic
56 Committee, the National Thoroughbred Racing
57 Association, Formula One Management Limited, or the
58 Federation Internationale de l'Automobile;

59 (C) the Academy of Country Music;

60 (D) the National Cutting Horse
61 Association;

62 (E) the Republican National
63 Committee or the Democratic National Committee;

64 (F) the Ultimate Fighting
65 Championship; or

66 (G) the Commission on Presidential
67 Debates.

Revisor's Note

(1) Sections 5A(a)(1) and (2), V.A.C.S. Article 5190.14, refer to a site selected by a site selection organization for "one or more events." Section 311.012(b), Government Code (Code Construction Act), applicable to the revised law, provides that a reference to the singular includes the plural and vice versa. For that reason, throughout this chapter, the revised law substitutes "an event" for "one or more events."

(2) Section 5A(a)(4), V.A.C.S. Article 5190.14, in the definition of "event," refers to "a game of the National Collegiate Athletic Association Bowl Championship Series or its successor or a National Collegiate Athletic Association Division I Football Bowl Subdivision postseason playoff or championship game," and Section 5A(a)(5), V.A.C.S. Article 5190.14, in the definition of "site selection organization," refers to "the National Collegiate Athletic Association." The revised law substitutes "a game of the College Football Playoff or its successor" for the quoted phrase from the definition of "event" for the reasons stated in Revisor's Note (3) to Section 475.001, Government Code. The revised law also adds "the College Football Playoff selection committee" to the definition of "site selection organization" to accurately reflect the successor selection committee for the National Collegiate Athletic Association Division I Football Bowl Subdivision postseason playoff games because the College Football Playoff selection committee succeeded the National Collegiate Athletic Association as the organization responsible for selecting sites and teams for those postseason games.

1 (3) The definitions of "fund" and "program" are
2 added to the revised law for drafting convenience and
3 to eliminate frequent, unnecessary repetition of the
4 substance of the definitions.

5 Revised Law

6 Sec. 478.0002. RULES. The office may adopt rules necessary
7 to implement this chapter. (V.A.C.S. Art. 5190.14, Sec. 5A(v).)

8 Source Law

9 (v) The department may adopt rules necessary to
10 implement this section.

11 Revised Law

12 Sec. 478.0003. CONSTRUCTION OF CHAPTER. This chapter may
13 not be construed as creating or requiring a state guarantee of an
14 obligation imposed on an endorsing municipality, an endorsing
15 county, or this state under an event support contract or another
16 agreement relating to hosting an event in this state. (V.A.C.S.
17 Art. 5190.14, Sec. 5A(o).)

18 Source Law

19 (o) This section may not be construed as
20 creating or requiring a state guarantee of obligations
21 imposed on the state or an endorsing municipality or
22 endorsing county under an event support contract or
23 other agreement relating to hosting one or more events
24 in this state.

25 SUBCHAPTER B. ELIGIBILITY

26 Revised Law

27 Sec. 478.0051. EVENTS ELIGIBLE FOR FUNDING. (a) Only an
28 event listed in Section 478.0001(3) is eligible for funding under
29 this chapter.

30 (b) A listed event may receive funding through the program
31 only if:

32 (1) a site selection organization, after considering
33 through a highly competitive selection process one or more sites
34 not in this state, selects a site in this state for the event to be
35 held:

36 (A) one time; or

37 (B) if the event is scheduled under an event

1 contract or event support contract to be held each year for a period
2 of years, one time in each year;

3 (2) a site selection organization selects a site in
4 this state as:

5 (A) the sole site for the event; or

6 (B) the sole site for the event in a region
7 composed of this state and one or more adjoining states;

8 (3) the event is held not more than one time in any
9 year;

10 (4) the incremental increase in tax receipts
11 determined under Section 478.0102 is at least \$1 million; and

12 (5) not later than the 30th day before the first day of
13 the event, a site selection organization submits a plan to prevent
14 the trafficking of persons in connection with the event to:

15 (A) the office of the attorney general; and

16 (B) the chief of the Texas Division of Emergency
17 Management. (V.A.C.S. Art. 5190.14, Sec. 5A(a-1) (part).)

18 Source Law

19 (a-1) An event not listed in Subsection (a)(4)
20 of this section is ineligible for funding under this
21 section. A listed event may receive funding through
22 the Major Events Reimbursement Program under this
23 section only if:

24 (1) a site selection organization selects
25 a site located in this state for the event to be held
26 one time or, for an event scheduled to be held each
27 year for a period of years under an event contract, or
28 an event support contract, one time each year for the
29 period of years, after considering, through a highly
30 competitive selection process, one or more sites that
31 are not located in this state;

32 (2) a site selection organization selects
33 a site in this state as:

34 (A) the sole site for the event; or

35 (B) the sole site for the event in a
36 region composed of this state and one or more adjoining
37 states;

38 (3) the event is held not more than one
39 time in any year;

40 (4) the amount of the incremental increase
41 in tax receipts determined by the department under
42 Subsection (b) of this section equals or exceeds \$1
43 million, . . .

44 (5) not later than the 30th day before the
45 first day of the event, a site selection organization
46 submits a plan to prevent the trafficking of persons in
47 connection with the event to the office of the attorney
48 general and the chief of the Texas Division of
49 Emergency Management.

1 Revised Law

2 Sec. 478.0052. SINGLE EVENT CLASSIFICATION FOR ELIGIBILITY
3 PURPOSES. For purposes of Section 478.0051, each presidential
4 general election debate in a series of presidential debates before
5 a general election is considered a separate, single event.
6 (V.A.C.S. Art. 5190.14, Sec. 5A(a-3).)

7 Source Law

8 (a-3) For purposes of Subsection (a-1) of this
9 section, each presidential general election debate in
10 a series of presidential debates before a general
11 election is considered a separate, single event.

12 Revisor's Note

13 Section 5A(a-3), V.A.C.S. Article 5190.14,
14 refers to "Subsection (a-1) of this section." The
15 relevant part of Subsection (a-1) for purposes of
16 Subsection (a-3) is revised in this chapter as Section
17 478.0051. The revised law is drafted accordingly.

18 Revised Law

19 Sec. 478.0053. EXEMPTION FROM CERTAIN ELIGIBILITY
20 REQUIREMENT FOR CERTAIN LARGE VENUES. Section 478.0051(b)(1) does
21 not apply to an event described by Section 478.0001(3)(G). If an
22 endorsing municipality or endorsing county requests the office to
23 make a determination under Section 478.0102 for an event described
24 by Section 478.0001(3)(G), the remaining provisions of this chapter
25 apply to that event as if the event satisfied the eligibility
26 requirements under Section 478.0051(b)(1). (V.A.C.S. Art.
27 5190.14, Sec. 5A(a-2).)

28 Source Law

29 (a-2) Subsection (a-1)(1) of this section does
30 not apply to an event that is the largest event held
31 each year at a sports entertainment venue in this state
32 with a permanent seating capacity, including
33 grandstand and premium seating, of not less than
34 125,000. If an endorsing municipality or endorsing
35 county requests the department to make a determination
36 under Subsection (b) of this section for an event
37 described by this subsection, the provisions of this
38 section apply to that event as if it satisfied the
39 eligibility requirements for an event under Subsection
40 (a-1)(1) of this section.

1 Revisor's Note

2 Section 5A(a-2), V.A.C.S. Article 5190.14,
3 provides that Subsection (a-1)(1), V.A.C.S. Article
4 5190.14, does not apply to "an event that is the
5 largest event held each year at a sports entertainment
6 venue in this state with a permanent seating capacity,
7 including grandstand and premium seating, of not less
8 than 125,000." The revised law substitutes "an event
9 described by Section 478.0001(3)(G)" for the quoted
10 language to eliminate unnecessary repetition of the
11 substance of the quoted language because the described
12 event is listed as one of the events in the definition
13 of "event" under Section 5A(a), V.A.C.S. Article
14 5190.14, revised in this chapter as Section
15 478.0001(3)(G).

16 SUBCHAPTER C. STATE ACTIONS RELATING TO EVENTS

17 Revised Law

18 Sec. 478.0101. PREREQUISITES FOR OFFICE ACTION. The office
19 may not undertake any duty imposed by this chapter unless:

20 (1) the municipality or county in which an event will
21 be located submits a request;

22 (2) the event meets the requirements for funding under
23 Section 478.0051 and all other funding requirements under this
24 chapter; and

25 (3) the request is accompanied by documentation from a
26 site selection organization selecting the site for the event.
27 (V.A.C.S. Art. 5190.14, Sec. 5A(p).)

28 Source Law

29 (p) The department may not undertake any of the
30 responsibilities or duties set forth in this section
31 unless:

32 (1) a request is submitted by the
33 municipality or the county in which the event will be
34 located;

35 (2) the event meets all the requirements
36 for funding under this section, including Subsection
37 (a-1) of this section; and

38 (3) the request is accompanied by
39 documentation from a site selection organization

1 selecting the site for the event.

2 Revisor's Note

3 (1) Section 5A(p), V.A.C.S. Article 5190.14,
4 refers to "responsibilities or duties" under Section
5 5A, V.A.C.S. Article 5190.14, revised as this chapter.
6 The revised law omits the reference to
7 "responsibilities" because "responsibilities" is
8 included in the meaning of "duties."

9 (2) Section 5A(p)(2), V.A.C.S. Article 5190.14,
10 requires an event to meet the requirements for funding
11 under "Subsection (a-1)." The relevant portions of
12 Subsection (a-1) for purposes of Subsection (p)(2) are
13 revised in this chapter as Section 478.0051, and the
14 revised law is drafted accordingly.

15 Revised Law

16 Sec. 478.0102. DETERMINATION OF INCREMENTAL INCREASE IN
17 CERTAIN TAX RECEIPTS. (a) After a site selection organization
18 selects a site for an event in this state in accordance with an
19 application by a local organizing committee, endorsing
20 municipality, or endorsing county and on request of a local
21 organizing committee, endorsing municipality, or endorsing county,
22 the office shall determine the incremental increases in the
23 following tax receipts that the office determines are directly
24 attributable to the preparation for and presentation of the event
25 for a one-year period that begins two months before the date on
26 which the event will begin:

27 (1) the receipts to this state from taxes imposed
28 under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5,
29 Alcoholic Beverage Code, in the market areas designated under
30 Section 478.0105;

31 (2) the receipts collected by this state for each
32 endorsing municipality in the market area from the sales and use tax
33 imposed by each endorsing municipality under Section 321.101(a),
34 Tax Code, and the mixed beverage tax revenue to be received by each

1 endorsing municipality under Section 183.051(b), Tax Code;

2 (3) the receipts collected by this state for each
3 endorsing county in the market area from the sales and use tax
4 imposed by each endorsing county under Section 323.101(a), Tax
5 Code, and the mixed beverage tax revenue to be received by each
6 endorsing county under Section 183.051(b), Tax Code;

7 (4) the receipts collected by each endorsing
8 municipality in the market area from the hotel occupancy tax
9 imposed under Chapter 351, Tax Code; and

10 (5) the receipts collected by each endorsing county in
11 the market area from the hotel occupancy tax imposed under Chapter
12 352, Tax Code.

13 (b) The office shall make the determination required by
14 Subsection (a) in accordance with procedures the office develops
15 and shall base that determination on information submitted by a
16 local organizing committee, endorsing municipality, or endorsing
17 county.

18 (c) For an event scheduled to be held each year for a period
19 of years under an event contract or event support contract, the
20 office shall calculate the incremental increase in the tax receipts
21 specified by Subsection (a) as if the event did not occur in the
22 prior year for purposes of Section 478.0051(b)(4). (V.A.C.S. Art.
23 5190.14, Secs. 5A(a-1) (part), (b), (b-1) (part).)

24 Source Law

25 (a-1) . . .
26 (4) . . . provided that for an event
27 scheduled to be held each year for a period of years
28 under an event contract or event support contract, the
29 incremental increase in tax receipts shall be
30 calculated as if the event did not occur in the prior
31 year; and
32 . . .

33 (b) If a site selection organization selects a
34 site for an event in this state pursuant to an
35 application by a local organizing committee, endorsing
36 municipality, or endorsing county, upon request of a
37 local organizing committee, endorsing municipality,
38 or endorsing county, the department shall determine
39 for a one-year period that begins two months before the
40 date on which the event will begin, in accordance with
41 procedures developed by the department:

42 (1) the incremental increase in the

1 receipts to the state from taxes imposed under
2 Chapters 151, 152, 156, and 183, Tax Code, and under
3 Title 5, Alcoholic Beverage Code, within the market
4 areas designated under Subsection (c) of this section,
5 that is directly attributable, as determined by the
6 department, to the preparation for and presentation of
7 the event and related activities;

8 (2) the incremental increase in the
9 receipts collected by the state on behalf of each
10 endorsing municipality in the market area from the
11 sales and use tax imposed by each endorsing
12 municipality under Section 321.101(a), Tax Code, and
13 the mixed beverage tax revenue to be received by each
14 endorsing municipality under Section 183.051(b), Tax
15 Code, that is directly attributable, as determined by
16 the department, to the preparation for and
17 presentation of the event and related activities;

18 (3) the incremental increase in the
19 receipts collected by the state on behalf of each
20 endorsing county in the market area from the sales and
21 use tax imposed by each endorsing county under Section
22 323.101(a), Tax Code, and the mixed beverage tax
23 revenue to be received by each endorsing county under
24 Section 183.051(b), Tax Code, that is directly
25 attributable, as determined by the department, to the
26 preparation for and presentation of the event and
27 related activities;

28 (4) the incremental increase in the
29 receipts collected by each endorsing municipality in
30 the market area from the hotel occupancy tax imposed
31 under Chapter 351, Tax Code, that is directly
32 attributable, as determined by the department, to the
33 preparation for and presentation of the event and
34 related activities; and

35 (5) the incremental increase in the
36 receipts collected by each endorsing county in the
37 market area from the hotel occupancy tax imposed under
38 Chapter 352, Tax Code, that is directly attributable,
39 as determined by the department, to the preparation
40 for and presentation of the event and related
41 activities.

42 (b-1) . . . The department shall base the
43 determination specified by Subsection (b) of this
44 section on information submitted by the local
45 organizing committee, endorsing municipality, or
46 endorsing county, and

47 Revisor's Note

48 (1) Section 5A(a-1)(4), V.A.C.S. Article
49 5190.14, is revised in two sections in this chapter. A
50 portion of Section 5A(a-1)(4) requires the office to
51 calculate the incremental increase in tax receipts for
52 an event scheduled to be held each year for a period of
53 years as if the event did not occur in the prior year,
54 and that provision is revised in this section because
55 this section addresses the determination of the
56 incremental increase in tax receipts. Section
57 5A(a-1)(4) also establishes a threshold amount for the

1 incremental increase in tax receipts for an eligible
2 event, and that portion of the section is revised as
3 Section 478.0051(b)(4) of this chapter because Section
4 478.0051 provides the requirements for an event to be
5 eligible for funding under this chapter. Because
6 Section 5A(a-1)(4) is revised in two sections and for
7 the convenience of the reader, the revised law adds to
8 this section a cross-reference to Section
9 478.0051(b)(4).

10 (2) Sections 5A(b)(1), (2), (3), (4), and (5),
11 V.A.C.S. Article 5190.14, refer to an "event and
12 related activities." Throughout this chapter, the
13 revised law omits references to "related activities"
14 because the concept is included in the definition of
15 "event" under Section 5A(a)(4), V.A.C.S. Article
16 5190.14, revised in this chapter as Section
17 478.0001(3).

18 Revised Law

19 Sec. 478.0103. TIME FOR DETERMINATION REQUEST. A request
20 for a determination of the incremental increase in tax receipts
21 under Section 478.0102 must be submitted to the office not earlier
22 than one year and not later than the 45th day before the beginning
23 date of the event. (V.A.C.S. Art. 5190.14, Sec. 5A(b-1) (part).)

24 Source Law

25 (b-1) A request for a determination of the
26 amount of incremental increase in tax receipts
27 specified by Subsection (b) of this section must be
28 submitted to the department not earlier than one year
29 and not later than 45 days before the date the event
30 begins. . . .

31 Revised Law

32 Sec. 478.0104. TIME FOR DETERMINATION. The office shall
33 determine the incremental increase in tax receipts under Section
34 478.0102 not later than the 30th day after the date the office
35 receives the request for that determination and related
36 information. (V.A.C.S. Art. 5190.14, Sec. 5A(b-1) (part).)

Source Law

(b-1) . . . [The department] . . . must make the determination not later than the 30th day after the date the department receives the request and related information.

Revised Law

Sec. 478.0105. DESIGNATION OF MARKET AREA. (a) For purposes of Section 478.0102(a)(1), the office shall designate as a market area for an event each area in which the office determines there is a reasonable likelihood of measurable economic impact directly attributable to the preparation for and presentation of the event. The office shall include areas likely to provide venues, accommodations, and services in connection with the event based on the proposal the local organizing committee provides to the office.

(b) The office shall determine the geographic boundaries of each market area.

(c) An endorsing municipality or endorsing county selected as the site for an event must be included in a market area for the event. (V.A.C.S. Art. 5190.14, Sec. 5A(c).)

Source Law

(c) For the purposes of Subsection (b)(1) of this section, the department shall designate as a market area for the event each area in which the department determines there is a reasonable likelihood of measurable economic impact directly attributable to the preparation for and presentation of the event and related activities, including areas likely to provide venues, accommodations, and services in connection with the event based on the proposal provided by the local organizing committee to the department. The department shall determine the geographic boundaries of each market area. An endorsing municipality or endorsing county that has been selected as the site for the event must be included in a market area for the event.

Revised Law

Sec. 478.0106. ESTIMATE OF TAX REVENUE CREDITED TO FUND.

(a) Not later than the 30th day after the date a local organizing committee, endorsing municipality, or endorsing county submits a request for a determination of the incremental increase in tax receipts under Section 478.0102, the office shall provide an estimate of the total amount of tax revenue that would be deposited

1 to the fund under this chapter in connection with that event if the
2 event were held in this state at a site selected in accordance with
3 an application by a local organizing committee, endorsing
4 municipality, or endorsing county.

5 (b) A local organizing committee, endorsing municipality,
6 or endorsing county may submit the office's estimate to a site
7 selection organization. (V.A.C.S. Art. 5190.14, Sec. 5A(j).)

8 Source Law

9 (j) Not later than the 30th day after the date a
10 request of a local organizing committee, endorsing
11 municipality, or endorsing county is submitted to the
12 department under Subsection (b-1) of this section, the
13 department shall provide an estimate of the total
14 amount of tax revenue that would be deposited in the
15 Major Events reimbursement program fund under this
16 section in connection with that event, if the event
17 were to be held in this state at a site selected
18 pursuant to an application by a local organizing
19 committee, endorsing municipality, or endorsing
20 county. A local organizing committee, endorsing
21 municipality, or endorsing county may submit the
22 department's estimate to a site selection
23 organization.

24 Revisor's Note

25 Section 5A(j), V.A.C.S. Article 5190.14, refers
26 to a request of a local organizing committee,
27 endorsing municipality, or endorsing county
28 "submitted to the department under Subsection (b-1) of
29 this section." The relevant parts of Section 5A(b-1),
30 V.A.C.S. Article 5190.14, are revised in this chapter
31 as Sections 478.0103 and 478.0104. Section 478.0103
32 establishes the time for submission of a request for a
33 determination of the incremental increase in certain
34 tax receipts, and Section 478.0104 establishes a time
35 for the determination. Neither section requires
36 submission of a determination request. However,
37 Section 5A(b), V.A.C.S. Article 5190.14, revised in
38 this chapter as Section 478.0102, requires the office
39 to determine the incremental increase in certain tax
40 receipts on submission of a determination request by a
41 local organizing committee, endorsing municipality,

1 or endorsing county. Because the request submission
2 is required to initiate the office determination, the
3 revised law substitutes "Section 478.0102" for the
4 quoted language instead of Sections 478.0103 and
5 478.0104.

6 Revised Law

7 Sec. 478.0107. ECONOMIC IMPACT STUDY. (a) Not later than
8 the 10th month after the last day of an event eligible for
9 disbursements from the fund, using existing resources, the office
10 shall complete a study in the market area of the event on the
11 measurable economic impact directly attributable to the
12 preparation for and presentation of the event.

13 (b) The office shall post on the office's Internet website:

14 (1) the results of the study conducted under
15 Subsection (a), including any source documentation or other
16 information on which the office relied for the study;

17 (2) the incremental increase in tax receipts for the
18 event determined under Section 478.0102 and any source
19 documentation or information described by Section 478.0251 on which
20 the office relied to determine that increase;

21 (3) the documentation described by Section
22 478.0101(3); and

23 (4) documentation verifying that:

24 (A) a request submitted under Section 478.0101 is
25 complete and certified as complete by the office;

26 (B) the office considered the information
27 submitted by a local organizing committee, endorsing municipality,
28 or endorsing county to determine the incremental increase in tax
29 receipts under Section 478.0102 as required by Section 478.0102(b);
30 and

31 (C) each deadline established under this chapter
32 was met. (V.A.C.S. Art. 5190.14, Sec. 5A(w).)

33 Source Law

34 (w) Not later than 10 months after the last day

1 of an event eligible for disbursements from the Major
2 Events reimbursement program fund for costs associated
3 with the event, the department using existing
4 resources shall complete a study in the market area of
5 the event on the measurable economic impact directly
6 attributable to the preparation for and presentation
7 of the event and related activities. The department
8 shall post on the department's Internet website:

9 (1) the results of the study conducted
10 under this subsection, including any source
11 documentation or other information relied on by the
12 department for the study;

13 (2) the amount of incremental increase in
14 tax receipts for the event determined by the
15 department under Subsection (b) of this section;

16 (3) the site selection organization
17 documentation described in Subsection (p)(3) of this
18 section;

19 (4) any source documentation or
20 information described under Subsection (i) of this
21 section that was relied on by the department in making
22 the determination of the amount of incremental
23 increase in tax receipts under Subsection (b) of this
24 section; and

25 (5) documentation verifying that:

26 (A) a request submitted by a local
27 organizing committee, endorsing municipality, or
28 endorsing county under Subsection (p) of this section
29 is complete and certified as such by the department;

30 (B) the determination on the amount
31 of incremental increases in tax receipts under
32 Subsection (b) of this section considered the
33 information submitted by a local organizing committee,
34 endorsing municipality, or endorsing county as
35 required under Subsection (b-1) of this section; and

36 (C) each deadline established under
37 this section was timely met.

38 Revisor's Note

39 (1) Section 5A(w), V.A.C.S. Article 5190.14,
40 refers to an event eligible for disbursements from the
41 fund "for costs associated with the event." The
42 revised law omits the quoted language as unnecessary
43 because the definition of "event" in Section 5A(a)(4),
44 V.A.C.S. Article 5190.14, revised in this chapter as
45 Section 478.0001(3), includes any activity associated
46 with an event. A cost of an event includes a cost
47 associated with an event.

48 (2) Section 5A(w)(5)(C), V.A.C.S. Article
49 5190.14, requires documentation verifying that each
50 deadline was "timely met." The revised law omits
51 "timely" as unnecessary because a deadline that is
52 "met" necessarily is met "timely."

1 Revised Law

2 Sec. 478.0108. DISTRIBUTION AND PUBLICATION OF PLAN TO
3 PREVENT TRAFFICKING OF PERSONS IN CONNECTION WITH EVENT. The
4 office of the attorney general may:

5 (1) distribute the plan required by Section
6 478.0051(b)(5) to appropriate law enforcement agencies and the
7 office of the governor; and

8 (2) publish the plan on the Internet website of the
9 office of the attorney general. (V.A.C.S. Art. 5190.14, Sec.
10 5A(a-4).)

11 Source Law

12 (a-4) The office of the attorney general may:
13 (1) distribute the plan required under
14 Subsection (a-1)(5) of this section to appropriate law
15 enforcement agencies and to the office of the
16 governor; and
17 (2) publish the plan on the office's
18 Internet website.

19 SUBCHAPTER D. FUND ESTABLISHMENT AND CONTRIBUTIONS

20 Revised Law

21 Sec. 478.0151. MAJOR EVENTS REIMBURSEMENT PROGRAM FUND.
22 The major events reimbursement program fund is established outside
23 the state treasury and is held in trust by the comptroller for
24 administration of this subtitle. (V.A.C.S. Art. 5190.14, Sec. 5A(d)
25 (part).)

26 Source Law

27 (d) . . . The Major Events reimbursement
28 program fund is established outside the state treasury
29 and is held in trust by the comptroller for
30 administration of this Act. . . .

31 Revisor's Note

32 Section 5A(d), V.A.C.S. Article 5190.14, refers
33 to "this Act," meaning V.A.C.S. Article 5190.14. The
34 revised law substitutes "this subtitle" for "this Act"
35 because all of the provisions of Article 5190.14 are
36 revised as provisions in Subtitle E-1, Title 4,
37 Government Code.

Revised Law

Sec. 478.0152. DEPOSIT OF MUNICIPAL AND COUNTY TAX REVENUE.

(a) Each endorsing municipality or endorsing county participating in the program shall remit to the comptroller and the comptroller shall deposit into a trust fund created by the comptroller, at the direction of the office, and designated as the major events reimbursement program fund the amount of the municipality's or county's hotel occupancy tax revenue determined under Section 478.0102(a)(4) or (5), less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county.

(b) The comptroller, at the direction of the office, shall retain the amount of sales and use tax revenue and mixed beverage tax revenue determined under Section 478.0102(a)(2) or (3) from the amounts otherwise required to be sent to the municipality under Sections 321.502 and 183.051(b), Tax Code, or to the county under Sections 323.502 and 183.051(b), Tax Code, less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county, and shall deposit the retained tax revenue to the fund.

(c) The comptroller shall begin retaining and depositing the municipal and county tax revenue:

(1) with the first distribution of that tax revenue that occurs after the first day of the one-year period described by Section 478.0102(a); or

(2) at a time the office otherwise determines to be practicable.

(d) The comptroller shall discontinue retaining the municipal and county tax revenue when the amount of the applicable tax revenue determined under Section 478.0102(a)(2) or (3) has been retained. (V.A.C.S. Art. 5190.14, Sec. 5A(d) (part).)

Source Law

(d) Each endorsing municipality or endorsing county participating in the Major Events Reimbursement Program shall remit to the comptroller and the

1 comptroller shall deposit into a trust fund created by
2 the comptroller, at the direction of the department,
3 and designated as the Major Events reimbursement
4 program fund the amount of the municipality's or
5 county's hotel occupancy tax revenue determined by the
6 department under Subsection (b)(4) or (b)(5) of this
7 section, less any amount of the revenue that the
8 municipality or county determines is necessary to meet
9 the obligations of the municipality or county. The
10 comptroller, at the direction of the department, shall
11 retain the amount of sales and use tax revenue and
12 mixed beverage tax revenue determined by the
13 department under Subsection (b)(2) or (b)(3) of this
14 section from the amounts otherwise required to be sent
15 to the municipality under Sections 321.502 and
16 183.051(b), Tax Code, or to the county under Sections
17 323.502 and 183.051(b), Tax Code, and deposit into the
18 fund the tax revenues, less any amount of the revenue
19 that the municipality or county determines is
20 necessary to meet the obligations of the municipality
21 or county. The comptroller shall begin retaining and
22 depositing the local tax revenues with the first
23 distribution of that tax revenue that occurs after the
24 first day of the one-year period described by
25 Subsection (b) of this section or at a time otherwise
26 determined to be practicable by the department and
27 shall discontinue retaining the local tax revenues
28 under this subsection when the amount of the
29 applicable tax revenue determined by the department
30 under Subsection (b)(2) or (b)(3) of this section has
31 been retained. . . .

32 Revisor's Note

33 Section 5A(d), V.A.C.S. Article 5190.14, refers
34 to "local tax revenues." It is clear from the context
35 that "local tax revenues" means municipal and county
36 tax revenue. For clarity and consistency of
37 terminology throughout this chapter, the revised law
38 substitutes "municipal and county tax revenue" for
39 "local tax revenues" or similar language.

40 Revised Law

41 Sec. 478.0153. OTHER LOCAL MONEY. (a) In lieu of the
42 municipal and county tax revenues remitted or retained under
43 Section 478.0152, an endorsing municipality or endorsing county may
44 remit to the office for deposit to the fund other local money in an
45 amount equal to the total amount of municipal and county tax revenue
46 determined under Sections 478.0102(a)(2)-(5).

47 (b) An endorsing municipality or endorsing county must
48 remit the other local money not later than the 90th day after the
49 last day of an event eligible for funding under the program.

1 (c) For purposes of Section 478.0155, the amount deposited
2 under this section is considered remitted local revenue. (V.A.C.S.
3 Art. 5190.14, Sec. 5A(d-1).)

4 Source Law

5 (d-1) Not later than the 90th day after the last
6 day of an event eligible for funding under the Major
7 Events Reimbursement Program and in lieu of the local
8 tax revenues remitted or retained under Subsection (d)
9 of this section, a municipality or county may remit to
10 the department for deposit in the Major Events
11 reimbursement program fund other local funds in an
12 amount equal to the total amount of local tax revenue
13 determined by the department under Subsections (b)(2)
14 through (5) of this section. The amount deposited by
15 the department into the Major Events reimbursement
16 program fund under this subsection is subject to
17 Subsection (f) of this section.

18 Revisor's Note

19 (1) Section 5A(d-1), V.A.C.S. Article 5190.14,
20 refers to a "municipality or county." The revised law
21 substitutes "endorsing municipality or endorsing
22 county" for "municipality or county" because it is
23 clear from the context that the provision applies only
24 to a municipality or county that is an "endorsing
25 municipality" or "endorsing county" as defined by
26 Section 5A(a), V.A.C.S. Article 5190.14, revised in
27 this chapter as Section 478.0001.

28 (2) Section 5A(d-1), V.A.C.S. Article 5190.14,
29 refers to the deposit of certain local "funds." The
30 revised law substitutes "money" for "funds" because,
31 in context, the meanings of the terms are the same and
32 "money" is more commonly used.

33 (3) Section 5A(d-1), V.A.C.S. Article 5190.14,
34 states that the amount deposited to the fund under that
35 subsection is "subject to Subsection (f) of this
36 section." Section 5A(f), V.A.C.S. Article 5190.14, is
37 revised in this chapter as Section 478.0155. The
38 revised law substitutes for the quoted language the
39 phrase "[f]or purposes of Section 478.0155, the amount
40 deposited under this section is considered remitted

1 local revenue" to clarify the reference to Section
2 478.0155, which requires the comptroller to transfer
3 for deposit to the fund a portion of state tax revenue
4 based on the amount of local revenue remitted under
5 this chapter.

6 Revised Law

7 Sec. 478.0154. SURCHARGES AND USER FEES. An endorsing
8 municipality or endorsing county may collect and remit to the
9 office surcharges and user fees attributable to an event for
10 deposit to the fund. (V.A.C.S. Art. 5190.14, Sec. 5A(e) (part).)

11 Source Law

12 (e) . . . An endorsing municipality or
13 endorsing county may collect and remit to the
14 department surcharges and user fees attributable to
15 the event for deposit into the Major Events
16 reimbursement program fund.

17 Revised Law

18 Sec. 478.0155. STATE TAX REVENUE. (a) The comptroller, at
19 the direction of the office, shall transfer to the fund a portion of
20 the state tax revenue in an amount equal to the prevailing state
21 sales tax rate multiplied by the amount of the local revenue
22 retained or remitted under this chapter, including:

- 23 (1) local sales and use tax revenue;
24 (2) mixed beverage tax revenue;
25 (3) hotel occupancy tax revenue; and
26 (4) surcharge and user fee revenue.

27 (b) The amount transferred under Subsection (a) may not
28 exceed the incremental increase in tax receipts determined under
29 Section 478.0102(a)(1). (V.A.C.S. Art. 5190.14, Sec. 5A(f).)

30 Source Law

31 (f) The comptroller, at the direction of the
32 department, shall transfer into the Major Events
33 reimbursement program fund a portion of the state tax
34 revenue not to exceed the amount determined by the
35 department under Subsection (b)(1) of this section in
36 an amount equal to the prevailing state sales tax rate
37 times the amount of the local revenue retained or
38 remitted under this section, including:
39 (1) local sales and use tax revenue;
40 (2) mixed beverage tax revenue;
41 (3) hotel occupancy tax revenue; and

1 (4) surcharge and user fee revenue.

2 SUBCHAPTER E. DISBURSEMENTS FROM FUND

3 Revised Law

4 Sec. 478.0201. DISBURSEMENT WITHOUT APPROPRIATION. Money
5 in the fund may be disbursed by the office without appropriation
6 only as provided by this chapter. (V.A.C.S. Art. 5190.14, Sec.
7 5A(d) (part).)

8 Source Law

9 (d) . . . Money in the fund may be disbursed by
10 the department without appropriation only as provided
11 by this section.

12 Revised Law

13 Sec. 478.0202. DISBURSEMENT FROM FUND. (a) After approval
14 of each contributing endorsing municipality and endorsing county,
15 the office may make a disbursement from the fund for a purpose for
16 which a local organizing committee, an endorsing municipality, an
17 endorsing county, or this state is obligated under a games support
18 contract or event support contract.

19 (b) In considering whether to make a disbursement from the
20 fund, the office may not consider a contingency clause in an event
21 support contract as relieving a local organizing committee's,
22 endorsing municipality's, or endorsing county's obligation to pay a
23 cost under the contract.

24 (c) If the office makes a disbursement from the fund, the
25 office shall satisfy the obligation proportionately from the local
26 and state revenue in the fund. (V.A.C.S. Art. 5190.14, Secs. 5A(k)
27 (part), (l).)

28 Source Law

29 (k) The department may make a disbursement from
30 the Major Events reimbursement program fund on the
31 prior approval of each contributing endorsing
32 municipality or endorsing county for a purpose for
33 which a local organizing committee, an endorsing
34 municipality, or an endorsing county or the state is
35 obligated under a game support contract or event
36 support contract. . . . In considering whether to make
37 a disbursement from the fund, the department may not
38 consider a contingency clause in an event support
39 contract as relieving a local organizing committee's,
40 endorsing municipality's, or endorsing county's
41 obligation to pay a cost under the contract. . . .

42 (l) If a disbursement is made from the Major

1 Events reimbursement program fund under Subsection (k)
2 of this section, the obligation shall be satisfied
3 proportionately from the state and local revenue in
4 the fund.

5 Revisor's Note

6 (1) Section 5A(k), V.A.C.S. Article 5190.14,
7 provides that the office may make a disbursement from
8 the fund for an obligation under a game support
9 contract or event support contract only after the
10 approval of "each contributing endorsing municipality
11 or endorsing county." The revised law substitutes
12 "and" for "or" in the quoted language for clarity
13 because "each" implies that a disbursement from the
14 fund requires the approval of all contributing
15 endorsing entities, not just all contributing
16 endorsing municipalities or all contributing
17 endorsing counties.

18 (2) Section 5A(k), V.A.C.S. Article 5190.14,
19 refers to a "game support contract." Throughout this
20 chapter, the revised law substitutes "games support
21 contract" for "game support contract" for clarity and
22 consistency in the terminology used in the revised
23 chapter and because "games support contract" is the
24 defined term under Section 1, V.A.C.S. Article
25 5190.14, revised in this subtitle as Section 475.0001,
26 Government Code.

27 (3) Section 5A(1), V.A.C.S. Article 5190.14,
28 refers to a disbursement from the fund "under
29 Subsection (k) of this section." The revised law omits
30 the quoted language as unnecessary because Subsection
31 (k), the relevant part of which is revised in this
32 section, is the only provision in Section 5A
33 authorizing a disbursement from the fund.

34 (4) Section 5A(1), V.A.C.S. Article 5190.14,
35 provides that if a disbursement is made from the fund,
36 "the obligation shall be satisfied proportionately

1 from the state and local revenue in the fund." The
2 revised law adds language assigning the duty to
3 proportionately satisfy the obligation to "the office"
4 for the reasons that follow. It is clear from Section
5 5A(d), V.A.C.S. Article 5190.14, revised in relevant
6 part as Section 478.0201 of this chapter, and Section
7 5A(k), V.A.C.S. Article 5190.14, revised in this
8 section, that the office makes the referenced
9 disbursement. However, the comptroller maintains
10 custody of the fund from which the disbursement is made
11 in accordance with the portion of Section 5A(d) that is
12 revised as Section 478.0151 of this chapter. As a
13 matter of state fiscal practice, the office
14 administers the fund through the uniform statewide
15 accounting system. The office uses that system to make
16 disbursements by directing the comptroller to pay the
17 money from the fund and to account for those
18 disbursements, including accounting for the
19 proportionate satisfaction of a disbursement from
20 state and local revenue.

21 Revised Law

22 Sec. 478.0203. REDUCTION OF DISBURSEMENT AMOUNT. (a)
23 After the conclusion of an event, the office shall compare
24 information on the actual attendance figures provided under Section
25 478.0251 with the estimated attendance numbers used to determine
26 the incremental increase in tax receipts under Section 478.0102.
27 If the actual attendance figures are significantly lower than the
28 estimated attendance numbers, the office may reduce the amount of a
29 disbursement from the fund for an endorsing entity:

- 30 (1) in proportion to the discrepancy between the
31 actual and estimated attendance; and
32 (2) in proportion to the amount the entity contributed
33 to the fund.

34 (b) The office by rule shall:

1 (1) define "significantly lower" for purposes of this
2 section; and

3 (2) provide the manner in which the office may
4 proportionately reduce a disbursement.

5 (c) This section does not affect the remittance under
6 Section 478.0207 of any money remaining in the fund. (V.A.C.S. Art.
7 5190.14, Sec. 5A(y).)

8 Source Law

9 (y) After the conclusion of an event, the
10 department shall compare information on the actual
11 attendance figures provided to the department under
12 Subsection (i) of this section with the estimated
13 attendance numbers used to determine the incremental
14 increase in tax receipts under Subsection (b) of this
15 section. If the actual attendance figures are
16 significantly lower than the estimated attendance
17 numbers, the department may reduce the amount of a
18 disbursement for an endorsing entity under the Major
19 Events reimbursement program fund in proportion to the
20 discrepancy between the actual and estimated
21 attendance and in proportion to the amount contributed
22 to the fund by the entity. The department by rule
23 shall define "significantly lower" for purposes of
24 this subsection and provide the manner in which a
25 disbursement may be proportionately reduced. This
26 subsection does not affect the remittance of any money
27 remaining in the fund in accordance with Subsection
28 (m) of this section.

29 Revised Law

30 Sec. 478.0204. ALLOWABLE EXPENSES. (a) Money in the fund
31 may be used to:

32 (1) pay the principal of and interest on notes issued
33 under Section 478.0252; and

34 (2) fulfill obligations of an endorsing municipality,
35 an endorsing county, or this state to a site selection organization
36 under a games support contract or event support contract.

37 (b) Subject to Sections 478.0202 and 478.0205, the
38 obligations described by Subsection (a)(2) may include the payment
39 of:

40 (1) the costs relating to the preparations necessary
41 or desirable for conducting the event; and

42 (2) the costs of conducting the event, including the
43 costs of an improvement or renovation to an existing facility and

1 the costs of the acquisition or construction of a new facility or
2 other facility. (V.A.C.S. Art. 5190.14, Sec. 5A(h).)

3 Source Law

4 (h) The funds in the Major Events reimbursement
5 program fund may be used to pay the principal of and
6 interest on notes issued by an endorsing municipality
7 or endorsing county under Subsection (g) of this
8 section and to fulfill obligations of the state or an
9 endorsing municipality or endorsing county to a site
10 selection organization under a game support contract
11 or event support contract. Subject to Subsection (k)
12 of this section, the obligations may include the
13 payment of costs relating to the preparations
14 necessary or desirable for the conduct of the event and
15 the payment of costs of conducting the event,
16 including improvements or renovations to existing
17 facilities or other facilities and costs of
18 acquisition or construction of new facilities or other
19 facilities.

20 Revisor's Note

21 (1) Section 5A(h), V.A.C.S. Article 5190.14,
22 refers to "notes issued by an endorsing municipality
23 or endorsing county under Subsection (g) of this
24 section." The revised law omits the reference to
25 "endorsing municipality or endorsing county" as
26 unnecessary because under Section 5A(g), V.A.C.S.
27 Article 5190.14, revised in this chapter as Section
28 478.0252, only an endorsing municipality or endorsing
29 county may issue notes.

30 (2) Section 5A(h), V.A.C.S. Article 5190.14,
31 refers to "Subsection (k) of this section." Section
32 5A(k), V.A.C.S. Article 5190.14, is revised in this
33 chapter in relevant part as Sections 478.0202 and
34 478.0205, and the revised law is drafted accordingly.

35 (3) Section 5A(h), V.A.C.S. Article 5190.14,
36 refers to "improvements or renovations to existing
37 facilities or other facilities." For clarity, the
38 revised law omits "other facilities" in this context
39 because an improvement or renovation can be made only
40 to a facility that exists.

1 location of an event in this state, the office shall remit to each
2 endorsing entity, in proportion to the amount contributed by the
3 entity, any money remaining in the fund. (V.A.C.S. Art. 5190.14,
4 Sec. 5A(m).)

5 Source Law

6 (m) On payment of all state, municipal, or
7 county obligations under a game support contract or
8 event support contract related to the location of any
9 particular event in the state, the department shall
10 remit to each endorsing entity, in proportion to the
11 amount contributed by the entity, any money remaining
12 in the fund.

13 SUBCHAPTER F. LOCAL POWERS AND DUTIES RELATING TO EVENTS

14 Revised Law

15 Sec. 478.0251. REQUIRED INFORMATION. (a) A local
16 organizing committee, endorsing municipality, or endorsing county
17 shall provide information required by the office to fulfill the
18 office's duties under this chapter, including:

19 (1) annual audited statements of any financial records
20 required by a site selection organization; and

21 (2) data obtained by the local organizing committee,
22 an endorsing municipality, or an endorsing county relating to:

23 (A) attendance at the event, including an
24 estimate of the number of people expected to attend the event who
25 are not residents of this state; and

26 (B) the economic impact of the event.

27 (b) A local organizing committee, endorsing municipality,
28 or endorsing county must provide an annual audited financial
29 statement required by the office not later than the end of the
30 fourth month after the last day of the period covered by the
31 financial statement.

32 (c) After the conclusion of an event and on the office's
33 request, a local organizing committee, endorsing municipality, or
34 endorsing county must provide information about the event, such as
35 attendance figures, including an estimate of the number of people
36 who attended the event who are not residents of this state,
37 financial information, or other public information held by the

1 committee, municipality, or county that the office considers
2 necessary. (V.A.C.S. Art. 5190.14, Sec. 5A(i).)

3 Source Law

4 (i) A local organizing committee, endorsing
5 municipality, or endorsing county shall provide
6 information required by the department to enable the
7 department to fulfill the department's duties under
8 this section, including annual audited statements of
9 any financial records required by a site selection
10 organization and data obtained by the local organizing
11 committee, an endorsing municipality, or an endorsing
12 county relating to attendance at the event, including
13 an estimate of the number of people expected to attend
14 the event who are not residents of this state, and to
15 the economic impact of the event. A local organizing
16 committee, endorsing municipality, or endorsing
17 county must provide an annual audited financial
18 statement required by the department, if any, not
19 later than the end of the fourth month after the date
20 the period covered by the financial statement ends.
21 After the conclusion of an event and on the
22 department's request, a local organizing committee,
23 endorsing municipality, or endorsing county must
24 provide information relating to the event, such as
25 attendance figures, including an estimate of the
26 number of attendees at the event who are not residents
27 of this state, financial information, or other public
28 information held by the local organizing committee,
29 endorsing municipality, or endorsing county that the
30 department considers necessary.

31 Revised Law

32 Sec. 478.0252. ISSUANCE OF NOTES. (a) To meet its
33 obligations under a games support contract or event support
34 contract to improve, construct, renovate, or acquire facilities or
35 to acquire equipment, an endorsing municipality by ordinance or an
36 endorsing county by order may authorize the issuance of notes.

37 (b) An endorsing municipality or endorsing county may
38 provide that the notes be paid from and secured by:

39 (1) amounts on deposit or amounts to be deposited to
40 the fund; or

41 (2) surcharges from user fees charged in connection
42 with the event, including parking or ticket fees.

43 (c) A note issued must mature not later than the seventh
44 anniversary of the date of issuance. (V.A.C.S. Art. 5190.14, Sec.
45 5A(g).)

46 Source Law

47 (g) To meet its obligations under a game support

1 contract or event support contract to improve,
2 construct, renovate, or acquire facilities or to
3 acquire equipment, an endorsing municipality by
4 ordinance or an endorsing county by order may
5 authorize the issuance of notes. An endorsing
6 municipality or endorsing county may provide that the
7 notes be paid from and secured by amounts on deposit or
8 amounts to be deposited into the Major Events
9 reimbursement program fund or surcharges from user
10 fees, including parking or ticket fees, charged in
11 connection with the event. Any note issued must mature
12 not later than seven years from its date of issuance.

13 Revised Law

14 Sec. 478.0253. PLEDGE OF SURCHARGES TO GUARANTEE
15 OBLIGATIONS. An endorsing municipality or endorsing county may
16 guarantee its obligations under an event support contract and this
17 chapter by pledging, in addition to the tax revenue deposited under
18 Section 478.0152, surcharges from user fees charged in connection
19 with the event, including parking or ticket fees. (V.A.C.S. Art.
20 5190.14, Sec. 5A(e) (part).)

21 Source Law

22 (e) In addition to the tax revenue deposited in
23 the Major Events reimbursement program fund under
24 Subsection (d) of this section, an endorsing
25 municipality or endorsing county may guarantee its
26 obligations under an event support contract and this
27 section by pledging surcharges from user fees,
28 including parking or ticket fees, charged in
29 connection with the event. . . .

30 CHAPTER 479. MOTOR SPORTS RACING TRUST FUND

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19	CHAPTER 479. MOTOR SPORTS RACING TRUST FUND	
20	SUBCHAPTER A. GENERAL PROVISIONS	
21	<u>Revised Law</u>	
22	Sec. 479.0001.	DEFINITIONS. In this chapter:
23	(1)	"Endorsing county" means a county that contains a
24		site selected by a site selection organization for a motor sports
25		racing event.
26	(2)	"Endorsing municipality" means a municipality
27		that contains a site selected by a site selection organization for a
28		motor sports racing event.
29	(3)	"Event support contract" means a joinder
30		undertaking, joinder agreement, or similar contract executed by a
31		site selection organization and an endorsing municipality or
32		endorsing county.
33	(4)	"Motor sports racing event" means a specific
34		automobile racing event sanctioned by the Automobile Competition

Committee for the United States (ACCUS) and held at a temporary event venue. The term includes an event or activity held, sponsored, or endorsed by the site selection organization in conjunction with the racing event.

(5) "Trust fund" means the motor sports racing trust fund established by this chapter. (V.A.C.S. Art. 5190.14, Sec. 5B(a); New.)

Source Law

Sec. 5B. (a) In this section:

(1) "Endorsing county" means a county that contains a site selected by a site selection organization for one or more motor sports racing events.

(2) "Endorsing municipality" means a municipality that contains a site selected by a site selection organization for one or more motor sports racing events.

(3) "Event support contract" means a joinder undertaking, joinder agreement, or similar contract executed by an endorsing municipality or endorsing county and a site selection organization.

(4) "Motor sports racing event" means a specific automobile racing event sanctioned by the Automobile Competition Committee for the United States (ACCUS) and held at a temporary event venue. The term includes any events and activities held, sponsored, or endorsed by the site selection organization in conjunction with the racing event.

Revisor's Note

(1) Sections 5B(a)(1) and (2), V.A.C.S. Article 5190.14, refer to a site selected by a site selection organization for "one or more motor sports racing events." Section 311.012(b), Government Code (Code Construction Act), applicable to the revised law, provides that a reference to the singular includes the plural and vice versa. For that reason, throughout this chapter, the revised law substitutes "a motor sports racing event" for "one or more motor sports racing events."

(2) The definition of "trust fund" is added to the revised law for drafting convenience and to eliminate frequent, unnecessary repetition of the substance of the definition.

Source Law

(o) The department may not undertake any of the responsibilities or duties set forth in this section unless a request is submitted by the municipality and the county in which the motor sports racing event will be held. The request must be accompanied by documentation from a site selection organization selecting the site for the racing event.

Revisor's Note

Section 5B(o), V.A.C.S. Article 5190.14, refers to "responsibilities or duties" under Section 5B, V.A.C.S. Article 5190.14, revised as this chapter. The revised law omits the reference to "responsibilities" because "responsibilities" is included in the meaning of "duties."

Revised Law

Sec. 479.0052. DETERMINATION OF INCREMENTAL INCREASE IN CERTAIN TAX RECEIPTS. (a) After a site selection organization selects a site for a motor sports racing event in this state in accordance with an application by a local organizing committee, endorsing municipality, or endorsing county, the office shall determine the incremental increases in the following tax receipts that the office determines are directly attributable to the preparation for and presentation of the racing event for the 30-day period that ends at the end of the day after the date on which the racing event will be held:

(1) the receipts to this state from taxes imposed under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5, Alcoholic Beverage Code, in the market areas designated under Section 479.0054;

(2) the receipts collected by this state for each endorsing municipality in the market area from the sales and use tax imposed by each endorsing municipality under Section 321.101(a), Tax Code, and the mixed beverage tax revenue to be received by each endorsing municipality under Section 183.051(b), Tax Code;

(3) the receipts collected by this state for each endorsing county in the market area from the sales and use tax

1 imposed by each endorsing county under Section 323.101(a), Tax
2 Code, and the mixed beverage tax revenue to be received by each
3 endorsing county under Section 183.051(b), Tax Code;

4 (4) the receipts collected by each endorsing
5 municipality in the market area from the hotel occupancy tax
6 imposed under Chapter 351, Tax Code; and

7 (5) the receipts collected by each endorsing county in
8 the market area from the hotel occupancy tax imposed under Chapter
9 352, Tax Code.

10 (b) The office shall make the determination required by
11 Subsection (a) in accordance with procedures the office develops.
12 (V.A.C.S. Art. 5190.14, Sec. 5B(b) (part).)

13 Source Law

14 (b) If a site selection organization selects a
15 site for a motor sports racing event in this state
16 pursuant to an application by a local organizing
17 committee, endorsing municipality, or endorsing
18 county, . . . the department shall determine for the
19 30-day period that ends at the end of the day after the
20 date on which the racing event will be held, in
21 accordance with procedures developed by the
22 department:

23 (1) the incremental increase in the
24 receipts to the state from taxes imposed under
25 Chapters 151, 152, 156, and 183, Tax Code, and under
26 Title 5, Alcoholic Beverage Code, within the market
27 areas designated under Subsection (c) of this section,
28 that is directly attributable, as determined by the
29 department, to the preparation for and presentation of
30 the racing event;

31 (2) the incremental increase in the
32 receipts collected by the state on behalf of each
33 endorsing municipality in the market area from the
34 sales and use tax imposed by each endorsing
35 municipality under Section 321.101(a), Tax Code, and
36 the mixed beverage tax revenue to be received by each
37 endorsing municipality under Section 183.051(b), Tax
38 Code, that is directly attributable, as determined by
39 the department, to the preparation for and
40 presentation of the racing event;

41 (3) the incremental increase in the
42 receipts collected by the state on behalf of each
43 endorsing county in the market area from the sales and
44 use tax imposed by each endorsing county under Section
45 323.101(a), Tax Code, and the mixed beverage tax
46 revenue to be received by each endorsing county under
47 Section 183.051(b), Tax Code, that is directly
48 attributable, as determined by the department, to the
49 preparation for and presentation of the racing event;

50 (4) the incremental increase in the
51 receipts collected by each endorsing municipality in
52 the market area from the hotel occupancy tax imposed
53 under Chapter 351, Tax Code, that is directly
54 attributable, as determined by the department, to the

1 preparation for and presentation of the racing event;
2 and

3 (5) the incremental increase in the
4 receipts collected by each endorsing county in the
5 market area from the hotel occupancy tax imposed under
6 Chapter 352, Tax Code, that is directly attributable,
7 as determined by the department, to the preparation
8 for and presentation of the racing event.

9 Revised Law

10 Sec. 479.0053. TIME FOR DETERMINATION. The office shall
11 determine the incremental increase in tax receipts under Section
12 479.0052 not later than three months before the date of the motor
13 sports racing event. (V.A.C.S. Art. 5190.14, Sec. 5B(b) (part).)

14 Source Law

15 (b) . . . not later than three months before the
16 date of the motor sports racing event, [the department
17 shall determine]
18

19 Revised Law

20 Sec. 479.0054. DESIGNATION OF MARKET AREA. (a) For
21 purposes of Section 479.0052(a)(1), the office shall designate as a
22 market area for a motor sports racing event each area in which the
23 office determines there is a reasonable likelihood of measurable
24 economic impact directly attributable to the preparation for and
25 presentation of the racing event. The office shall include areas
26 likely to provide venues, accommodations, and services in
27 connection with the racing event based on a proposal or other
28 information a local organizing committee, endorsing municipality,
29 or endorsing county provides to the office.

30 (b) The office shall determine the geographic boundaries of
31 each market area.

32 (c) An endorsing municipality or endorsing county selected
33 as the site for the motor sports racing event must be included in a
34 market area for the racing event. (V.A.C.S. Art. 5190.14, Sec.
35 5B(c).)

36 Source Law

37 (c) For the purposes of Subsection (b)(1) of
38 this section, the department shall designate as a
39 market area for the motor sports racing event each area
40 in which the department determines there is a
41 reasonable likelihood of measurable economic impact
42 directly attributable to the preparation for and

1 presentation of the racing event, including areas
2 likely to provide venues, accommodations, and services
3 in connection with the racing event based on a proposal
4 or other information provided by an endorsing
5 municipality, endorsing county, or local organizing
6 committee to the department. The department shall
7 determine the geographic boundaries of each market
8 area. An endorsing municipality or endorsing county
9 that has been selected as the site for the racing event
10 must be included in a market area for the racing event.

11 Revised Law

12 Sec. 479.0055. ESTIMATE OF TAX REVENUE CREDITED TO TRUST
13 FUND. (a) Not later than three months before the date of a motor
14 sports racing event, the office shall provide an estimate of the
15 total amount of tax revenue that would be transferred or deposited
16 to the trust fund under this chapter in connection with that racing
17 event if the racing event were held in this state at a site selected
18 in accordance with an application by a local organizing committee,
19 endorsing municipality, or endorsing county.

20 (b) The office shall provide the estimate on request to a
21 local organizing committee, endorsing municipality, or endorsing
22 county.

23 (c) A local organizing committee, endorsing municipality,
24 or endorsing county may submit the office's estimate to a site
25 selection organization. (V.A.C.S. Art. 5190.14, Sec. 5B(j).)

26 Source Law

27 (j) The department shall provide an estimate not
28 later than three months before the date of a motor
29 sports racing event of the total amount of tax revenue
30 that would be transferred to or deposited in the Motor
31 Sports Racing trust fund under this section in
32 connection with that racing event, if the racing event
33 were to be held in this state at a site selected
34 pursuant to an application by a local organizing
35 committee, endorsing municipality, or endorsing
36 county. The department shall provide the estimate on
37 request to a local organizing committee, endorsing
38 municipality, or endorsing county. A local organizing
39 committee, endorsing municipality, or endorsing
40 county may submit the department's estimate to a site
41 selection organization.

42 SUBCHAPTER C. TRUST FUND ESTABLISHMENT AND CONTRIBUTIONS

43 Revised Law

44 Sec. 479.0101. MOTOR SPORTS RACING TRUST FUND. The motor
45 sports racing trust fund is established outside the state treasury
46 and is held in trust by the comptroller for administration of this

chapter. (V.A.C.S. Art. 5190.14, Sec. 5B(d) (part).)

Source Law

(d) . . . The Motor Sports Racing trust fund is established outside the state treasury and is held in trust by the comptroller for administration of this section. . . .

Revised Law

Sec. 479.0102. DEPOSIT OF MUNICIPAL AND COUNTY TAX REVENUE.

(a) Each endorsing municipality or endorsing county shall remit to the comptroller and the comptroller shall deposit into a trust fund created by the comptroller, at the direction of the office, and designated as the motor sports racing trust fund for the motor sports racing event the amount of the municipality's or county's hotel occupancy tax revenue determined under Section 479.0052(a)(4) or (5), less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county.

(b) The comptroller, at the direction of the office, shall retain the amount of sales and use tax revenue and mixed beverage tax revenue determined under Section 479.0052(a)(2) or (3) from the amounts otherwise required to be sent to the municipality under Sections 321.502 and 183.051(b), Tax Code, or to the county under Sections 323.502 and 183.051(b), Tax Code, less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county, and shall deposit the retained tax revenue to the trust fund.

(c) The comptroller shall begin retaining and depositing the municipal and county tax revenue with the first distribution of that tax revenue that occurs after the first day of the period described by Section 479.0052(a).

(d) The comptroller shall discontinue retaining the municipal and county tax revenue when the amount of the applicable tax revenue determined under Section 479.0052(a)(2) or (3) has been retained. (V.A.C.S. Art. 5190.14, Sec. 5B(d) (part).)

Source Law

(d) Each endorsing municipality or endorsing county shall remit to the comptroller and the comptroller shall deposit into a trust fund created by the comptroller, at the direction of the department, and designated as the Motor Sports Racing trust fund for the particular event the amount of the municipality's or county's hotel occupancy tax revenue determined by the department under Subsection (b)(4) or (5) of this section, less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county. The comptroller, at the direction of the department, shall retain the amount of sales and use tax revenue and mixed beverage tax revenue determined by the department under Subsection (b)(2) or (3) of this section from the amounts otherwise required to be sent to the municipality under Sections 321.502 and 183.051(b), Tax Code, or to the county under Sections 323.502 and 183.051(b), Tax Code, and deposit into the trust fund the tax revenues, less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county. The comptroller shall begin retaining and depositing the local tax revenues with the first distribution of that tax revenue that occurs after the first day of the 30-day period described by Subsection (b) of this section and shall discontinue retaining the local tax revenues under this subsection when the amount of the applicable tax revenue determined under Subsection (b)(2) or (3) of this section has been retained. . . .

Revisor's Note

Section 5B(d), V.A.C.S. Article 5190.14, refers to "local tax revenues." It is clear from the context that "local tax revenues" means municipal and county tax revenue. For clarity and consistency in terminology throughout this chapter, the revised law substitutes "municipal and county tax revenue" for "local tax revenues" or similar terminology.

Revised Law

Sec. 479.0103. STATE TAX REVENUE. The comptroller, at the direction of the office, shall transfer to the trust fund a portion of the state tax revenue determined under Section 479.0052(a)(1) in an amount equal to 6.25 multiplied by the amount of the municipal and county sales and use tax revenue and mixed beverage tax revenue retained and the hotel occupancy tax revenue remitted by an endorsing municipality or endorsing county under Section 479.0102. (V.A.C.S. Art. 5190.14, Sec. 5B(f).)

Source Law

(f) The comptroller, at the direction of the department, shall transfer a portion of the state tax revenue determined by the department under Subsection (b)(1) of this section in an amount equal to 6.25 times the amount of the local sales and use tax revenue and mixed beverage tax revenue retained and the hotel occupancy tax revenue remitted by an endorsing municipality or endorsing county under Subsection (d) of this section.

Revisor's Note

Section 5B(f), V.A.C.S. Article 5190.14, requires the comptroller to "transfer" a certain portion of state tax revenue. The revised law adds language requiring the comptroller to transfer the revenue "to the trust fund" because it is clear under Section 5B, V.A.C.S. Article 5190.14, that all tax revenue remitted or retained under that section is transferred or deposited to the motor sports racing trust fund, defined in this chapter as "trust fund." Specifying the trust fund clarifies the revised law and ensures consistency with the other chapters in this subtitle.

SUBCHAPTER D. DISBURSEMENTS FROM TRUST FUND

Revised Law

Sec. 479.0151. DISBURSEMENT WITHOUT APPROPRIATION. Money in the trust fund may be disbursed by the office without appropriation only as provided by this chapter. (V.A.C.S. Art. 5190.14, Sec. 5B(d) (part).)

Source Law

(d) . . . Money in the trust fund may be disbursed by the department without appropriation only as provided by this section.

Revised Law

Sec. 479.0152. DISBURSEMENT FROM TRUST FUND. (a) After approval of each contributing endorsing municipality and endorsing county, the office may make a disbursement from the trust fund for a purpose for which an endorsing municipality, an endorsing county, or this state is obligated under a motor sports racing event support

1 contract or event support contract.

2 (b) If the office makes a disbursement from the trust fund,
3 the office shall satisfy the obligation proportionately from the
4 municipal, county, and state revenue in the trust fund. (V.A.C.S.
5 Art. 5190.14, Secs. 5B(k) (part), (1).)

6 Source Law

7 (k) The department may make a disbursement from
8 the Motor Sports Racing trust fund on the prior
9 approval of each contributing endorsing municipality
10 or endorsing county for a purpose for which an
11 endorsing municipality or endorsing county or the
12 state is obligated under a motor sports racing event
13 support contract or event support contract. . . .

14 (l) If a disbursement is made from the Motor
15 Sports Racing trust fund under Subsection (k) of this
16 section, the obligation shall be satisfied
17 proportionately from the state and local revenue in
18 the trust fund.

19 Revisor's Note

20 (1) Section 5B(k), V.A.C.S. Article 5190.14,
21 provides that the office may make a disbursement from
22 the trust fund for an obligation under a motor sports
23 racing event support contract or event support
24 contract only after the approval of "each contributing
25 endorsing municipality or endorsing county." The
26 revised law substitutes "and" for "or" in the quoted
27 language for clarity because "each" implies that a
28 disbursement from the trust fund requires the approval
29 of all contributing endorsing entities, not just all
30 contributing endorsing municipalities or all
31 contributing endorsing counties.

32 (2) Section 5B(l), V.A.C.S. Article 5190.14,
33 refers to a disbursement from the trust fund "under
34 Subsection (k) of this section." The revised law omits
35 the quoted language as unnecessary because Subsection
36 (k), the relevant part of which is revised in this
37 section, is the only provision in Section 5B
38 authorizing a disbursement from the trust fund.

39 (3) Section 5B(l), V.A.C.S. Article 5190.14,

1 provides that if a disbursement is made from the trust
2 fund, "the obligation shall be satisfied
3 proportionately from the state and local revenue in
4 the trust fund." The revised law adds language
5 assigning the duty to proportionately satisfy the
6 obligation to "the office" for the reasons that
7 follow. It is clear from Section 5B(d), V.A.C.S.
8 Article 5190.14, revised in relevant part as Section
9 479.0151 of this chapter, and Section 5B(k), V.A.C.S.
10 Article 5190.14, revised in this section, that the
11 office makes the referenced disbursement. However,
12 the comptroller maintains custody of the trust fund
13 from which the disbursement is made in accordance with
14 the portion of Section 5B(d) that is revised as Section
15 479.0101 of this chapter. As a matter of state fiscal
16 practice, the office administers the trust fund
17 through the uniform statewide accounting system. The
18 office uses that system to make disbursements by
19 directing the comptroller to pay the money from the
20 trust fund and to account for those disbursements,
21 including accounting for the proportionate
22 satisfaction of a disbursement from local and state
23 revenue.

24 Revised Law

25 Sec. 479.0153. ALLOWABLE EXPENSES. (a) Money in the trust
26 fund may be used to:

27 (1) pay the principal of and interest on notes issued
28 under Section 479.0202; and

29 (2) fulfill obligations of an endorsing municipality,
30 an endorsing county, or this state to a site selection organization
31 under a motor sports racing event support contract or event support
32 contract.

33 (b) The obligations described by Subsection (a)(2) may
34 include the payment of:

1 make a disbursement from the trust fund that the office determines
2 would be used to solicit the relocation of a professional sports
3 franchise located in this state. (V.A.C.S. Art. 5190.14, Sec.
4 5B(k) (part).)

5 Source Law

6 (k) . . . A disbursement may not be made from
7 the trust fund that the department determines would be
8 used for the purpose of soliciting the relocation of a
9 professional sports franchise located in this state.

10 Revised Law

11 Sec. 479.0155. REMITTANCE OF REMAINING TRUST FUND MONEY.
12 On payment of all municipal, county, or state obligations under a
13 motor sports racing event support contract or event support
14 contract related to the location of a motor sports racing event in
15 this state, the office shall remit to each endorsing entity, in
16 proportion to the amount contributed by the entity, any money
17 remaining in the trust fund. (V.A.C.S. Art. 5190.14, Sec. 5B(m).)

18 Source Law

19 (m) On payment of all state, municipal, or
20 county obligations under a motor sports racing support
21 contract or event support contract related to the
22 location of any particular racing event in the state,
23 the department shall remit to each endorsing entity,
24 in proportion to the amount contributed by the entity,
25 any money remaining in the trust fund.

26 SUBCHAPTER E. LOCAL POWERS AND DUTIES RELATING TO MOTOR SPORTS

27 RACING EVENTS

28 Revised Law

29 Sec. 479.0201. REQUIRED INFORMATION. (a) A local
30 organizing committee, endorsing municipality, or endorsing county
31 shall provide information required by the office to fulfill the
32 office's duties under this chapter, including:

33 (1) annual audited statements of any financial records
34 required by a site selection organization; and

35 (2) data obtained by the local organizing committee,
36 an endorsing municipality, or an endorsing county relating to:

37 (A) attendance at the motor sports racing event;
38 and

1 (B) the economic impact of the racing event.

2 (b) A local organizing committee, endorsing municipality,
3 or endorsing county must provide any annual audited financial
4 statement required by the office not later than the end of the
5 fourth month after the last day of the period covered by the
6 financial statement. (V.A.C.S. Art. 5190.14, Sec. 5B(i).)

7 Source Law

8 (i) A local organizing committee, endorsing
9 municipality, or endorsing county shall provide
10 information required by the department to enable the
11 department to fulfill the department's duties under
12 this section, including annual audited statements of
13 any financial records required by a site selection
14 organization and data obtained by the local organizing
15 committee, an endorsing municipality, or an endorsing
16 county relating to attendance at the motor sports
17 racing event and to the economic impact of the racing
18 event. A local organizing committee, endorsing
19 municipality, or endorsing county must provide an
20 annual audited financial statement required by the
21 department, if any, not later than the end of the
22 fourth month after the date the period covered by the
23 financial statement ends.

24 Revised Law

25 Sec. 479.0202. ISSUANCE OF NOTES. (a) To meet its
26 obligations under a motor sports racing event support contract or
27 event support contract to improve, renovate, or acquire facilities
28 or to acquire equipment, an endorsing municipality by ordinance or
29 an endorsing county by order may authorize the issuance of notes.

30 (b) An endorsing municipality or endorsing county may
31 provide that the notes be paid from and secured by:

32 (1) amounts on deposit or amounts to be transferred or
33 deposited to the trust fund; or

34 (2) surcharges from user fees charged in connection
35 with the motor sports racing event, including parking or ticket
36 fees.

37 (c) A note issued must mature not later than the seventh
38 anniversary of the date of issuance. (V.A.C.S. Art. 5190.14, Sec.
39 5B(g).)

40 Source Law

41 (g) To meet its obligations under a motor sports
42 racing event support contract or event support

1 contract to improve, renovate, or acquire facilities
2 or to acquire equipment, an endorsing municipality by
3 ordinance or an endorsing county by order may
4 authorize the issuance of notes. An endorsing
5 municipality or endorsing county may provide that the
6 notes be paid from and secured by amounts on deposit or
7 amounts to be transferred or deposited into the Motor
8 Sports Racing trust fund or surcharges from user fees,
9 including parking or ticket fees, charged in
10 connection with the racing event. Any note issued must
11 mature not later than seven years from its date of
12 issuance.

13 Revised Law

14 Sec. 479.0203. PLEDGE OF SURCHARGES TO GUARANTEE
15 OBLIGATIONS. An endorsing municipality or endorsing county may
16 guarantee its obligations under a motor sports racing event support
17 contract and this chapter by pledging, in addition to the tax
18 revenue deposited under Section 479.0102, surcharges from user fees
19 charged in connection with the motor sports racing event, including
20 parking or ticket fees. (V.A.C.S. Art. 5190.14, Sec. 5B(e).)

21 Source Law

22 (e) In addition to the tax revenue deposited in
23 the Motor Sports Racing trust fund under Subsection
24 (d) of this section, an endorsing municipality or
25 endorsing county may guarantee its obligations under a
26 motor sports racing event support contract and this
27 section by pledging surcharges from user fees,
28 including parking or ticket fees, charged in
29 connection with the racing event.

30 CHAPTER 480. EVENTS TRUST FUND

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24		CHAPTER 480. EVENTS TRUST FUND	
25		SUBCHAPTER A. GENERAL PROVISIONS	
26		<u>Revised Law</u>	
27	Sec. 480.0001.	DEFINITIONS. In this chapter:	
28	(1)	"Endorsing county" means a county that contains a	
29		site selected by a site selection organization for an event.	
30	(2)	"Endorsing municipality" means a municipality	
31		that contains a site selected by a site selection organization for	
32		an event.	
33	(3)	"Event" means an event or related series of events	
34		to be held in this state for which a local organizing committee,	

1 endorsing municipality, or endorsing county seeks approval from a
2 site selection organization to hold the event at a site in this
3 state. The term includes any activity related to or associated with
4 the event.

5 (4) "Event support contract" means a joinder
6 undertaking, a joinder agreement, or a similar contract executed by
7 a site selection organization and a local organizing committee, an
8 endorsing municipality, or an endorsing county.

9 (5) "Site selection organization" means an entity that
10 conducts or considers conducting in this state an event eligible
11 under Section 480.0051. (V.A.C.S. Art. 5190.14, Sec. 5C(a).)

12 Source Law

13 (a) In this section:

14 (1) "Endorsing county" means a county that
15 contains a site selected by a site selection
16 organization for one or more events.

17 (2) "Endorsing municipality" means a
18 municipality that contains a site selected by a site
19 selection organization for one or more events.

20 (3) "Event" means an event or a related
21 series of events held in this state for which a local
22 organizing committee, endorsing county, or endorsing
23 municipality seeks approval from a site selection
24 organization to hold the event at a site in this state.
25 The term includes any activities related to or
26 associated with the event.

27 (4) "Event support contract" means a
28 joinder undertaking, a joinder agreement, or a similar
29 contract executed by a local organizing committee, an
30 endorsing municipality, or an endorsing county and a
31 site selection organization.

32 (5) "Site selection organization" means an
33 entity that conducts or considers conducting an
34 eligible event in this state.

35 Revisor's Note

36 (1) Sections 5C(a)(1) and (2), V.A.C.S. Article
37 5190.14, refer to a site selected by a site selection
38 organization for "one or more events." Section
39 311.012(b), Government Code (Code Construction Act),
40 applicable to the revised law, provides that a
41 reference to the singular includes the plural and vice
42 versa. For that reason, throughout this chapter, the
43 revised law substitutes "an event" for "one or more
44 events."

(2) Section 5C(a)(5), V.A.C.S. Article 5190.14, defines the term "site selection organization" as an entity that conducts or considers conducting an "eligible event." Section 5C(a-1), V.A.C.S. Article 5190.14, revised in this chapter as Section 480.0051, establishes the requirements for an event to be eligible for funding under Section 5C, V.A.C.S. Article 5190.14, which is revised as this chapter. It is clear from the context that an "eligible event" referenced in Section 5C(a)(5) means an event eligible for funding under this chapter. For that reason and for the convenience of the reader, the revised law adds a cross-reference to Section 480.0051.

Revised Law

Sec. 480.0002. RULES. The office may adopt rules necessary to implement this chapter. (V.A.C.S. Art. 5190.14, Sec. 5C(p).)

Source Law

(p) The department may adopt rules necessary to implement this section.

Revised Law

Sec. 480.0003. CONSTRUCTION OF CHAPTER. This chapter may not be construed as creating or requiring a state guarantee of an obligation imposed on an endorsing municipality, an endorsing county, or this state under an event support contract or another agreement relating to hosting an event in this state. (V.A.C.S. Art. 5190.14, Sec. 5C(n).)

Source Law

(n) This section may not be construed as creating or requiring a state guarantee of obligations imposed on this state or an endorsing municipality or endorsing county under an event support contract or other agreement relating to hosting one or more events in this state.

SUBCHAPTER B. ELIGIBILITY

Revised Law

Sec. 480.0051. EVENTS ELIGIBLE FOR FUNDING. An event is eligible for funding under this chapter only if:

1 (1) a site selection organization, after considering
2 through a highly competitive selection process one or more sites
3 not in this state, selects a site in this state for the event to be
4 held:

5 (A) one time; or

6 (B) if the event is scheduled under an event
7 contract or event support contract to be held each year for a period
8 of years, one time in each year;

9 (2) a site selection organization selects a site in
10 this state as:

11 (A) the sole site for the event; or

12 (B) the sole site for the event in a region
13 composed of this state and one or more adjoining states; and

14 (3) the event is held not more than one time in any
15 year in this state or an adjoining state. (V.A.C.S. Art. 5190.14,
16 Sec. 5C(a-1).)

17 Source Law

18 (a-1) An event is eligible for funding under
19 this section only if:

20 (1) a site selection organization selects
21 a site for the event located in this state to be held
22 one time or, for an event scheduled to be held each
23 year for a period of years under an event contract, or
24 an events support contract, one time each year for the
25 period of years, after considering, through a highly
26 competitive selection process, one or more sites that
27 are not located in this state;

28 (2) a site selection organization selects
29 a site in this state as:

30 (A) the sole site for the event; or

31 (B) the sole site for the event in a
32 region composed of this state and one or more adjoining
33 states; and

34 (3) the event is held not more than one
35 time in this state or an adjoining state in any year.

36 Revised Law

37 Sec. 480.0052. LIMITATIONS ON CERTAIN FUNDING REQUESTS.

38 (a) This section applies only to an event for which the office
39 determines under Section 480.0102 that the total incremental
40 increase in tax receipts is less than \$200,000.

41 (b) Subject to Subsection (c), an endorsing municipality or
42 endorsing county may during any 12-month period submit requests for

1 funding under this chapter for not more than 10 events to which this
2 section applies.

3 (c) Not more than three of the events described by
4 Subsection (b) may be nonsporting events. (V.A.C.S. Art. 5190.14,
5 Sec. 5C(b-1).)

6 Source Law

7 (b-1) The number of requests for funding under
8 this section that may be submitted by an endorsing
9 county or endorsing municipality during any 12-month
10 period for an event for which the department
11 determines that the total amount of the incremental
12 increase in tax receipts under Subsection (b) of this
13 section is less than \$200,000 is limited to, during any
14 12-month period, not more than 10 events, only three of
15 which may be nonsporting events.

16 SUBCHAPTER C. STATE ACTIONS RELATING TO EVENTS

17 Revised Law

18 Sec. 480.0101. PREREQUISITES FOR OFFICE ACTION. The office
19 may not undertake any duty imposed by this chapter unless:

20 (1) the municipality or county in which an event will
21 be located submits a request; and

22 (2) the request is accompanied by documentation from a
23 site selection organization selecting the site for the event.
24 (V.A.C.S. Art. 5190.14, Sec. 5C(o).)

25 Source Law

26 (o) The department may not undertake any of the
27 responsibilities or duties set forth in this section
28 unless a request is submitted by the municipality or
29 the county in which the event will be located. The
30 request must be accompanied by documentation from a
31 site selection organization selecting the site for the
32 event.

33 Revisor's Note

34 Section 5C(o), V.A.C.S. Article 5190.14, refers
35 to "responsibilities or duties" under Section 5C,
36 V.A.C.S. Article 5190.14, revised as this chapter.
37 The revised law omits the reference to
38 "responsibilities" because "responsibilities" is
39 included in the meaning of "duties."

40 Revised Law

41 Sec. 480.0102. DETERMINATION OF INCREMENTAL INCREASE IN

1 CERTAIN TAX RECEIPTS. (a) After a site selection organization
2 selects a site for an event in this state in accordance with an
3 application by a local organizing committee, endorsing
4 municipality, or endorsing county, the office shall determine the
5 incremental increases in the following tax receipts that the office
6 determines are directly attributable to the preparation for and
7 presentation of the event for the 30-day period that ends at the end
8 of the day after the date on which the event will be held or, if the
9 event will be held on more than one day, after the last date on which
10 the event will be held:

11 (1) the receipts to this state from taxes imposed
12 under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5,
13 Alcoholic Beverage Code, in the market areas designated under
14 Section 480.0104;

15 (2) the receipts collected by this state for each
16 endorsing municipality in the market area from the sales and use tax
17 imposed by each endorsing municipality under Section 321.101(a),
18 Tax Code, and the mixed beverage tax revenue to be received by each
19 endorsing municipality under Section 183.051(b), Tax Code;

20 (3) the receipts collected by this state for each
21 endorsing county in the market area from the sales and use tax
22 imposed by each endorsing county under Section 323.101(a), Tax
23 Code, and the mixed beverage tax revenue to be received by each
24 endorsing county under Section 183.051(b), Tax Code;

25 (4) the receipts collected by each endorsing
26 municipality in the market area from the hotel occupancy tax
27 imposed under Chapter 351, Tax Code; and

28 (5) the receipts collected by each endorsing county in
29 the market area from the hotel occupancy tax imposed under Chapter
30 352, Tax Code.

31 (b) The office shall make the determination required by
32 Subsection (a) in accordance with procedures the office develops
33 and shall base that determination on information submitted by a
34 local organizing committee, endorsing municipality, or endorsing

1 county.

2 (c) In determining the amount of state revenue available
3 under Subsection (a)(1), the office may consider whether:

4 (1) the event has been previously held in this state;
5 and

6 (2) changes to the character of the event could affect
7 the incremental increase in tax receipts collected and remitted to
8 this state by an endorsing municipality or endorsing county under
9 Subsection (a)(1). (V.A.C.S. Art. 5190.14, Secs. 5C(b) (part),
10 (c-1) (part), (q).)

11 Source Law

12 (b) If a site selection organization selects a
13 site for an event in this state pursuant to an
14 application by a local organizing committee, endorsing
15 municipality, or endorsing county, . . . the
16 department shall determine for the 30-day period that
17 ends at the end of the day after the date on which the
18 event will be held or, if the event occurs on more than
19 one day, after the last date on which the event will be
20 held, in accordance with procedures developed by the
21 department:

22 (1) the incremental increase in the
23 receipts to this state from taxes imposed under
24 Chapters 151, 152, 156, and 183, Tax Code, and under
25 Title 5, Alcoholic Beverage Code, within the market
26 areas designated under Subsection (c) of this section,
27 that is directly attributable, as determined by the
28 department, to the preparation for and presentation of
29 the event and related activities;

30 (2) the incremental increase in the
31 receipts collected by this state on behalf of each
32 endorsing municipality in the market area from the
33 sales and use tax imposed by each endorsing
34 municipality under Section 321.101(a), Tax Code, and
35 the mixed beverage tax revenue to be received by each
36 endorsing municipality under Section 183.051(b), Tax
37 Code, that is directly attributable, as determined by
38 the department, to the preparation for and
39 presentation of the event and related activities;

40 (3) the incremental increase in the
41 receipts collected by this state on behalf of each
42 endorsing county in the market area from the sales and
43 use tax imposed by each endorsing county under Section
44 323.101(a), Tax Code, and the mixed beverage tax
45 revenue to be received by each endorsing county under
46 Section 183.051(b), Tax Code, that is directly
47 attributable, as determined by the department, to the
48 preparation for and presentation of the event and
49 related activities;

50 (4) the incremental increase in the
51 receipts collected by each endorsing municipality in
52 the market area from the hotel occupancy tax imposed
53 under Chapter 351, Tax Code, that is directly
54 attributable, as determined by the department, to the
55 preparation for and presentation of the event and
56 related activities; and

1 (5) the incremental increase in the
2 receipts collected by each endorsing county in the
3 market area from the hotel occupancy tax imposed under
4 Chapter 352, Tax Code, that is directly attributable,
5 as determined by the department, to the preparation
6 for and presentation of the event and related
7 activities.

8 (c-1) The department shall base the
9 determination specified by Subsection (b) of this
10 section on information submitted by the local
11 organizing committee, endorsing municipality, or
12 endorsing county, and

13 (q) In determining the amount of state revenue
14 available under Subsection (b)(1) of this section, the
15 department may consider whether:

16 (1) the event has been held in this state
17 on previous occasions; and

18 (2) changes to the character of the event
19 could affect the incremental increase in receipts
20 collected and remitted to the state by an endorsing
21 county or endorsing municipality under that
22 subsection.

23 Revisor's Note

24 Sections 5C(b)(1), (2), (3), (4), and (5),
25 V.A.C.S. Article 5190.14, refer to an "event and
26 related activities." Throughout this chapter, the
27 revised law omits references to "related activities"
28 because the concept is included in the definition of
29 "event" under Section 5C(a)(3), V.A.C.S. Article
30 5190.14, revised in this chapter as Section
31 480.0001(3).

32 Revised Law

33 Sec. 480.0103. TIME FOR DETERMINATION. The office shall
34 determine the incremental increase in tax receipts under Section
35 480.0102 not later than the earlier of:

36 (1) the 30th day after the date the office receives the
37 information for an event submitted by a local organizing committee,
38 endorsing municipality, or endorsing county on which the office
39 bases the determination as provided by Section 480.0102(b); and

40 (2) three months before the date of the event.
41 (V.A.C.S. Art. 5190.14, Secs. 5C(b) (part), (c-1) (part).)

42 Source Law

43 (b) . . . not later than three months before the
44 date of the event, [the department shall
45 determinel]

1 (c-1) [The department] . . . must make the
2 determination not later than the 30th day after the
3 date the department receives the information.

4 Revisor's Note

5 Section 5C(b), V.A.C.S. Article 5190.14,
6 requires the office to make a determination of the
7 incremental increase in certain tax receipts
8 attributable to the preparation for and presentation
9 of an event not later than three months before the date
10 of the event. Section 5C(c-1), V.A.C.S. Article
11 5190.14, requires the office to make that
12 determination not later than the 30th day after the
13 office receives information for the event submitted by
14 a local organizing committee, endorsing municipality,
15 or endorsing county. The office is required to comply
16 with both deadlines, and compliance with the earlier
17 of the deadlines necessarily results in compliance
18 with the later deadline. For clarity, the revised law
19 codifies both deadlines with which the office must
20 comply in one section and specifies that the
21 determination must be made not later than the earlier
22 of the deadlines.

23 Revised Law

24 Sec. 480.0104. DESIGNATION OF MARKET AREA. (a) For
25 purposes of Section 480.0102(a)(1), the office shall designate as a
26 market area for an event each area in which the office determines
27 there is a reasonable likelihood of measurable economic impact
28 directly attributable to the preparation for and presentation of
29 the event. The office shall include areas likely to provide venues,
30 accommodations, and services in connection with the event based on
31 the proposal the local organizing committee provides to the office.

32 (b) The office shall determine the geographic boundaries of
33 each market area.

34 (c) An endorsing municipality or endorsing county selected
35 as the site for the event must be included in a market area for the

1 event. (V.A.C.S. Art. 5190.14, Sec. 5C(c).)

2 Source Law

3 (c) For the purposes of Subsection (b)(1) of
4 this section, the department shall designate as a
5 market area for the event each area in which the
6 department determines there is a reasonable likelihood
7 of measurable economic impact directly attributable to
8 the preparation for and presentation of the event and
9 related activities, including areas likely to provide
10 venues, accommodations, and services in connection
11 with the event based on the proposal provided by the
12 local organizing committee to the department. The
13 department shall determine the geographic boundaries
14 of each market area. An endorsing municipality or
15 endorsing county that has been selected as the site for
16 the event must be included in a market area for the
17 event.

18 Revised Law

19 Sec. 480.0105. ESTIMATE OF TAX REVENUE CREDITED TO FUND.

20 (a) Not later than three months before the date of an event, the
21 office shall provide an estimate of the total amount of tax revenue
22 that would be transferred or deposited to the events trust fund
23 under this chapter in connection with that event if the event were
24 held in this state at a site selected in accordance with an
25 application by a local organizing committee, endorsing
26 municipality, or endorsing county.

27 (b) The office shall provide the estimate on request to a
28 local organizing committee, endorsing municipality, or endorsing
29 county.

30 (c) A local organizing committee, endorsing municipality,
31 or endorsing county may submit the office's estimate to a site
32 selection organization. (V.A.C.S. Art. 5190.14, Sec. 5C(j).)

33 Source Law

34 (j) The department shall provide an estimate not
35 later than three months before the date of an event of
36 the total amount of tax revenue that would be
37 transferred into or deposited in the Events trust fund
38 under this section in connection with that event, if
39 the event were to be held in this state at a site
40 selected pursuant to an application by a local
41 organizing committee, endorsing municipality, or
42 endorsing county. The department shall provide the
43 estimate on request to a local organizing committee,
44 endorsing municipality, or endorsing county. A local
45 organizing committee, endorsing municipality, or
46 endorsing county may submit the department's estimate
47 to a site selection organization.

1 Revised Law

2 Sec. 480.0106. MODEL EVENT SUPPORT CONTRACT. (a) The
3 office may adopt a model event support contract and make the
4 contract available on the office's Internet website.

5 (b) The office's adoption of a model event support contract
6 under this section does not require use of the model event support
7 contract for purposes of this chapter. (V.A.C.S. Art. 5190.14,
8 Sec. 5C(r).)

9 Source Law

10 (r) The department may adopt a model event
11 support contract and make the contract available on
12 the department's Internet website. The adoption by the
13 department of a model event support contract under
14 this subsection does not require use of the model event
15 support contract for purposes of this section.

16 SUBCHAPTER D. FUND ESTABLISHMENT AND CONTRIBUTIONS

17 Revised Law

18 Sec. 480.0151. EVENTS TRUST FUND. The events trust fund is
19 established outside the state treasury and is held in trust by the
20 comptroller for administration of this chapter. (V.A.C.S. Art.
21 5190.14, Sec. 5C(d) (part).)

22 Source Law

23 (d) . . . The Events trust fund is established
24 outside the state treasury and is held in trust by the
25 comptroller for administration of this section. . . .

26 Revised Law

27 Sec. 480.0152. DEPOSIT OF MUNICIPAL AND COUNTY TAX REVENUE.
28 (a) Each endorsing municipality or endorsing county shall remit to
29 the comptroller and the comptroller shall deposit into a trust fund
30 created by the comptroller, at the direction of the office, and
31 designated as the events trust fund the amount of the
32 municipality's or county's hotel occupancy tax revenue determined
33 under Section 480.0102(a)(4) or (5), less any amount of the revenue
34 that the municipality or county determines is necessary to meet the
35 obligations of the municipality or county.

36 (b) The comptroller, at the direction of the office, shall
37 retain the amount of sales and use tax revenue and mixed beverage

1 tax revenue determined under Section 480.0102(a)(2) or (3) from the
2 amounts otherwise required to be sent to the municipality under
3 Sections 321.502 and 183.051(b), Tax Code, or to the county under
4 Sections 323.502 and 183.051(b), Tax Code, less any amount of the
5 revenue that the municipality or county determines is necessary to
6 meet the obligations of the municipality or county, and shall
7 deposit the retained tax revenue to the events trust fund.

8 (c) The comptroller shall begin retaining and depositing
9 the municipal and county tax revenue:

10 (1) with the first distribution of that tax revenue
11 that occurs after the first day of the period described by Section
12 480.0102(a); or

13 (2) at a time the office otherwise determines to be
14 practicable.

15 (d) The comptroller shall discontinue retaining the
16 municipal and county tax revenue when the amount of the applicable
17 tax revenue determined under Section 480.0102(a)(2) or (3) has been
18 retained. (V.A.C.S. Art. 5190.14, Sec. 5C(d) (part).)

19 Source Law

20 (d) Each endorsing municipality or endorsing
21 county shall remit to the comptroller and the
22 comptroller shall deposit into a trust fund created by
23 the comptroller, at the direction of the department,
24 and designated as the Events trust fund the amount of
25 the municipality's or county's hotel occupancy tax
26 revenue determined by the department under Subsection
27 (b)(4) or (5) of this section, less any amount of the
28 revenue that the municipality or county determines is
29 necessary to meet the obligations of the municipality
30 or county. The comptroller, at the direction of the
31 department, shall retain the amount of sales and use
32 tax revenue and mixed beverage tax revenue determined
33 by the department under Subsection (b)(2) or (3) of
34 this section from the amounts otherwise required to be
35 sent to the municipality under Sections 321.502 and
36 183.051(b), Tax Code, or to the county under Sections
37 323.502 and 183.051(b), Tax Code, and deposit into the
38 trust fund the tax revenues, less any amount of the
39 revenue that the municipality or county determines is
40 necessary to meet the obligations of the municipality
41 or county. The comptroller shall begin retaining and
42 depositing the local tax revenues with the first
43 distribution of that tax revenue that occurs after the
44 first day of the period described by Subsection (b) of
45 this section or at a time otherwise determined to be
46 practicable by the department and shall discontinue
47 retaining the local tax revenues under this subsection
48 when the amount of the applicable tax revenue

determined by the department under Subsection (b)(2) or (3) of this section has been retained. . . .

Revisor's Note

Section 5C(d), V.A.C.S. Article 5190.14, refers to "local tax revenues." It is clear from the context that "local tax revenues" means municipal and county tax revenue. For clarity and consistency in terminology, throughout this chapter, the revised law substitutes "municipal and county tax revenue" for "local tax revenue" and similar language.

Revised Law

Sec. 480.0153. OTHER LOCAL MONEY. (a) In lieu of the municipal and county tax revenues remitted or retained under Section 480.0152, an endorsing municipality or endorsing county may remit to the office for deposit to the events trust fund other local money in an amount equal to the total amount of municipal and county tax revenue determined under Sections 480.0102(a)(2)-(5).

(b) An endorsing municipality or endorsing county must remit the other local money not later than the 90th day after the last day of an event.

(c) For purposes of Section 480.0155, the amount deposited under this section is considered remitted municipal and county tax revenue. (V.A.C.S. Art. 5190.14, Sec. 5C(d-1).)

Source Law

(d-1) Not later than the 90th day after the last day of an event and in lieu of the local tax revenues remitted or retained under Subsection (d) of this section, a municipality or county may remit to the department for deposit in the Events trust fund other local funds in an amount equal to the total amount of local tax revenue determined by the department under Subsections (b)(2) through (5) of this section. The amount deposited by the department into the Events trust fund under this subsection is subject to Subsection (f) of this section.

Revisor's Note

(1) Section 5C(d-1), V.A.C.S. Article 5190.14, refers to a "municipality or county." The revised law substitutes "endorsing municipality or endorsing county" for "municipality or county" because it is

1 clear from the context that the provision applies only
2 to a municipality or county that is an "endorsing
3 municipality" or "endorsing county" as defined by
4 Section 5C(a), V.A.C.S. Article 5190.14, revised in
5 this chapter as Section 480.0001.

6 (2) Section 5C(d-1), V.A.C.S. Article 5190.14,
7 refers to the deposit of certain local "funds." The
8 revised law substitutes "money" for "funds" because,
9 in context, the meanings of the terms are the same and
10 "money" is more commonly used.

11 (3) Section 5C(d-1), V.A.C.S. Article 5190.14,
12 states that the amount deposited to the events trust
13 fund under that subsection is "subject to Subsection
14 (f) of this section." Section 5C(f), V.A.C.S. Article
15 5190.14, is revised in this chapter as Section
16 480.0155. The revised law substitutes for the quoted
17 language the phrase "[f]or purposes of Section
18 480.0155, the amount deposited under this section is
19 considered remitted municipal and county tax revenue"
20 to clarify the reference to Section 480.0155, which
21 requires the comptroller to transfer for deposit to
22 the fund a portion of state tax revenue based on the
23 amount of municipal and county tax revenue remitted
24 under this chapter.

25 Revised Law

26 Sec. 480.0154. SURCHARGES AND USER FEES. An endorsing
27 municipality or endorsing county may collect and remit to the
28 office surcharges and user fees attributable to an event for
29 deposit to the events trust fund. (V.A.C.S. Art. 5190.14, Sec.
30 5C(e) (part).)

31 Source Law

32 (e) . . . An endorsing municipality or
33 endorsing county may collect and remit to the
34 department surcharges and user fees attributable to
35 the event for deposit into the Events trust fund.

1 municipality, an endorsing county, or this state is obligated under
2 an event support contract, including an obligation to pay costs
3 incurred in making preparations necessary for the event and
4 conducting the event.

5 (b) In considering whether to make a disbursement from the
6 events trust fund, the office may not consider a contingency clause
7 in an event support contract as relieving a local organizing
8 committee's, endorsing municipality's, or endorsing county's
9 obligation to pay a cost under the contract.

10 (c) If the office makes a disbursement from the events trust
11 fund, the office shall satisfy the obligation proportionately from
12 the local and state revenue in the fund. (V.A.C.S. Art. 5190.14,
13 Secs. 5C(k) (part), (1).)

14 Source Law

15 (k) The department may make a disbursement from
16 the Events trust fund on the prior approval of each
17 contributing endorsing municipality or endorsing
18 county for a purpose for which a local organizing
19 committee, an endorsing municipality, or an endorsing
20 county or this state is obligated under an event
21 support contract, including an obligation to pay costs
22 incurred in the conduct of the event and costs incurred
23 in making preparations necessary for the event. . . .
24 In considering whether to make a disbursement from the
25 trust fund, the department may not consider a
26 contingency clause in an event support contract as
27 relieving a local organizing committee's, endorsing
28 municipality's, or endorsing county's obligation to
29 pay a cost under the contract.

30 (1) If a disbursement is made from the Events
31 trust fund under Subsection (k) of this section, the
32 obligation shall be satisfied proportionately from the
33 state and local revenue in the trust fund.

34 Revisor's Note

35 (1) Section 5C(k), V.A.C.S. Article 5190.14,
36 provides that the office may make a disbursement from
37 the events trust fund for an obligation under an event
38 support contract only after the approval of "each
39 contributing endorsing municipality or endorsing
40 county." The revised law substitutes "and" for "or" in
41 the quoted language for clarity because "each" implies
42 that a disbursement from the fund requires the
43 approval of all contributing endorsing entities, not

1 just all contributing endorsing municipalities or all
2 contributing endorsing counties.

3 (2) Section 5C(1), V.A.C.S. Article 5190.14,
4 refers to a disbursement from the events trust fund
5 "under Subsection (k) of this section." The revised
6 law omits the quoted language as unnecessary because
7 Subsection (k), the relevant part of which is revised
8 in this section, is the only provision in Section 5C
9 authorizing a disbursement from the fund.

10 (3) Section 5C(1), V.A.C.S. Article 5190.14,
11 provides that if a disbursement is made from the events
12 trust fund "the obligation shall be satisfied
13 proportionately from the state and local revenue in
14 the trust fund." The revised law adds language
15 assigning the duty to proportionately satisfy the
16 obligation to "the office" for the reasons that
17 follow. It is clear from Section 5C(d), V.A.C.S.
18 Article 5190.14, revised in relevant part as Section
19 480.0201 of this chapter, and Section 5C(k), V.A.C.S.
20 Article 5190.14, revised in this section, that the
21 office makes the referenced disbursement. However,
22 the comptroller maintains custody of the fund from
23 which the disbursement is to be made in accordance with
24 the portion of Section 5C(d) that is revised as Section
25 480.0151 of this chapter. As a matter of state fiscal
26 practice, the office administers the fund through the
27 uniform statewide accounting system. The office uses
28 that system to make disbursements by directing the
29 comptroller to pay the money from the fund and to
30 account for those disbursements, including accounting
31 for the proportionate satisfaction of a disbursement
32 from local and state revenue.

33 Revised Law

34 Sec. 480.0203. REDUCTION OF DISBURSEMENT AMOUNT. (a)

1 After the conclusion of an event, the office shall compare
2 information on the actual attendance figures provided under Section
3 480.0251 with the estimated attendance numbers used to determine
4 the incremental increase in tax receipts under Section 480.0102.
5 If the actual attendance figures are significantly lower than the
6 estimated attendance numbers, the office may reduce the amount of a
7 disbursement from the events trust fund for an endorsing entity:

8 (1) in proportion to the discrepancy between the
9 actual and estimated attendance; and

10 (2) in proportion to the amount the entity contributed
11 to the fund.

12 (b) The office by rule shall:

13 (1) define "significantly lower" for purposes of this
14 section; and

15 (2) provide the manner in which the office may
16 proportionately reduce a disbursement.

17 (c) This section does not affect the remittance under
18 Section 480.0207 of any money remaining in the events trust fund.
19 (V.A.C.S. Art. 5190.14, Sec. 5C(t).)

20 Source Law

21 (t) After the conclusion of an event, the
22 department shall compare information on the actual
23 attendance figures provided to the department under
24 Subsection (i) of this section with the estimated
25 attendance numbers used to determine the incremental
26 increase in tax receipts under Subsection (b) of this
27 section. If the actual attendance figures are
28 significantly lower than the estimated attendance
29 numbers, the department may reduce the amount of a
30 disbursement for an endorsing entity under the Events
31 trust fund in proportion to the discrepancy between
32 the actual and estimated attendance and in proportion
33 to the amount contributed to the fund by the entity.
34 The department by rule shall define "significantly
35 lower" for purposes of this subsection and provide the
36 manner in which a disbursement may be proportionately
37 reduced. This subsection does not affect the
38 remittance of any money remaining in the fund in
39 accordance with Subsection (m) of this section.

40 Revised Law

41 Sec. 480.0204. ALLOWABLE EXPENSES. (a) Money in the events
42 trust fund may be used to:

43 (1) pay the principal of and interest on notes issued

1 under Section 480.0252; and

2 (2) fulfill obligations of an endorsing municipality,
3 an endorsing county, or this state to a site selection organization
4 under an event support contract.

5 (b) Subject to Sections 480.0202 and 480.0205, the
6 obligations described by Subsection (a)(2) may include the payment
7 of:

8 (1) the costs relating to the preparations necessary
9 for conducting the event; and

10 (2) the costs of conducting the event, including costs
11 of an improvement or renovation to an existing facility and costs of
12 acquisition or construction of a new facility or other facility.
13 (V.A.C.S. Art. 5190.14, Sec. 5C(h).)

14 Source Law

15 (h) The money in the Events trust fund may be
16 used to pay the principal of and interest on notes
17 issued by an endorsing municipality or endorsing
18 county under Subsection (g) of this section and to
19 fulfill obligations of this state or an endorsing
20 municipality or endorsing county to a site selection
21 organization under an event support contract. Subject
22 to Subsection (k) of this section, the obligations may
23 include the payment of costs relating to the
24 preparations necessary for the conduct of the event
25 and the payment of costs of conducting the event,
26 including improvements or renovations to existing
27 facilities or other facilities and costs of
28 acquisition or construction of new facilities or other
29 facilities.

30 Revisor's Note

31 (1) Section 5C(h), V.A.C.S. Article 5190.14,
32 refers to "notes issued by an endorsing municipality
33 or endorsing county under Subsection (g) of this
34 section." The revised law omits the reference to
35 "endorsing municipality or endorsing county" as
36 unnecessary because under Section 5C(g), V.A.C.S.
37 Article 5190.14, revised in this chapter as Section
38 480.0252, only an endorsing municipality or endorsing
39 county may issue notes.

40 (2) Section 5C(h), V.A.C.S. Article 5190.14,
41 refers to "Subsection (k) of this section."

1 Subsection (k), Section 5C, V.A.C.S. Article 5190.14,
2 is revised in Sections 480.0202 and 480.0205, and the
3 revised law is drafted accordingly.

4 (3) Section 5C(h), V.A.C.S. Article 5190.14,
5 refers to "improvements or renovations to existing
6 facilities or other facilities." For clarity, the
7 revised law omits "other facilities" in this context
8 because an improvement or renovation can only be made
9 to a facility that exists.

10 Revised Law

11 Sec. 480.0205. LIMITATION ON CERTAIN DISBURSEMENTS. (a) A
12 disbursement from the events trust fund is limited to five percent
13 of the cost of a structural improvement or a fixture if:

14 (1) an obligation is incurred under an event support
15 contract to make the improvement or add the fixture to a site for an
16 event; and

17 (2) the improvement or fixture is expected to derive
18 most of its value in subsequent uses of the site for future events.

19 (b) The remainder of an obligation described by Subsection
20 (a) is not eligible for a disbursement from the events trust fund,
21 unless the obligation is for an improvement or fixture for a
22 publicly owned facility. (V.A.C.S. Art. 5190.14, Sec. 5C(k)
23 (part).)

24 Source Law

25 (k) . . . If an obligation is incurred under an
26 event support contract to make a structural
27 improvement to the site or to add a fixture to the site
28 for purposes of an event and that improvement or
29 fixture is expected to derive most of its value in
30 subsequent uses of the site for future events, a
31 disbursement from the trust fund made for purposes of
32 that obligation is limited to five percent of the cost
33 of the improvement or fixture and the remainder of the
34 obligation is not eligible for a disbursement from the
35 trust fund, unless the improvement or fixture is for a
36 publicly owned facility. . . .

37 Revised Law

38 Sec. 480.0206. PROHIBITED DISBURSEMENTS. (a) Subject to
39 Subsection (b), the office may not make a disbursement from the

1 events trust fund that the office determines would be used to:

2 (1) solicit the relocation of a professional sports
3 franchise located in this state;

4 (2) construct an arena, stadium, or convention center;
5 or

6 (3) conduct usual and customary maintenance of a
7 facility.

8 (b) Subsection (a) does not prohibit a disbursement from the
9 events trust fund for the construction of temporary structures
10 within an arena, stadium, or convention center that are necessary
11 for the conduct of an event or temporary maintenance of a facility
12 that is necessary for the preparation for or conduct of an event.

13 (V.A.C.S. Art. 5190.14, Secs. 5C(k-1), (k-2).)

14 Source Law

15 (k-1) A disbursement may not be made from the
16 trust fund that the department determines would be
17 used for the purpose of:

18 (1) soliciting the relocation of a
19 professional sports franchise located in this state;

20 (2) constructing an arena, stadium, or
21 convention center; or

22 (3) conducting usual and customary
23 maintenance of a facility.

24 (k-2) Subsection (k-1) of this section does not
25 prohibit:

26 (1) a disbursement from the trust fund for
27 the construction of temporary structures within an
28 arena, stadium, or convention, if those temporary
29 structures are necessary for the conduct of the event;
30 or

31 (2) temporary maintenance of a facility
32 that is necessary for the preparation for or conduct of
33 the event.

34 Revisor's Note

35 Section 5C(k-1), V.A.C.S. Article 5190.14,
36 provides that a disbursement from the events trust
37 fund may not be made for the construction of an "arena,
38 stadium, or convention center." Section 5C(k-2),
39 V.A.C.S. Article 5190.14, provides an exception to the
40 prohibition for the construction of a temporary
41 structure within an "arena, stadium, or convention."
42 The revised law substitutes "convention center" for
43 "convention" for consistency in the terminology used

1 and because it is clear from the context that the
2 exception applies to construction within a "convention
3 center" rather than construction within a
4 "convention."

5 Revised Law

6 Sec. 480.0207. REMITTANCE OF REMAINING FUND MONEY. On
7 payment of all municipal, county, or state obligations under an
8 event support contract related to the location of an event in this
9 state, the office shall remit to each endorsing entity, in
10 proportion to the amount contributed by the entity, any money
11 remaining in the events trust fund. (V.A.C.S. Art. 5190.14, Sec.
12 5C(m).)

13 Source Law

14 (m) On payment of all state, municipal, or
15 county obligations under an event support contract
16 related to the location of any particular event in this
17 state, the department shall remit to each endorsing
18 entity, in proportion to the amount contributed by the
19 entity, any money remaining in the Events trust fund.

20 SUBCHAPTER F. LOCAL POWERS AND DUTIES RELATING TO EVENTS

21 Revised Law

22 Sec. 480.0251. REQUIRED INFORMATION. (a) A local
23 organizing committee, endorsing municipality, or endorsing county
24 shall provide information required by the office to fulfill the
25 office's duties under this chapter, including:

26 (1) annual audited statements of any financial records
27 required by a site selection organization; and

28 (2) data obtained by the local organizing committee,
29 an endorsing municipality, or an endorsing county relating to:

30 (A) attendance at the event, including an
31 estimate of the number of people expected to attend the event who
32 are not residents of this state; and

33 (B) the economic impact of the event.

34 (b) A local organizing committee, endorsing municipality,
35 or endorsing county must provide any annual audited financial
36 statement required by the office not later than the end of the

1 fourth month after the last day of the period covered by the
2 financial statement.

3 (c) After the conclusion of an event and on the office's
4 request, a local organizing committee, endorsing municipality, or
5 endorsing county must provide information about the event, such as
6 attendance figures, including an estimate of the number of people
7 who attended the event who are not residents of this state,
8 financial information, or other public information held by the
9 committee, municipality, or county that the office considers
10 necessary. (V.A.C.S. Art. 5190.14, Sec. 5C(i).)

11 Source Law

12 (i) A local organizing committee, endorsing
13 municipality, or endorsing county shall provide
14 information required by the department to enable the
15 department to fulfill the department's duties under
16 this section, including annual audited statements of
17 any financial records required by a site selection
18 organization and data obtained by the local organizing
19 committee, an endorsing municipality, or an endorsing
20 county relating to attendance at the event, including
21 an estimate of the number of people expected to attend
22 the event who are not residents of this state, and to
23 the economic impact of the event. A local organizing
24 committee, endorsing municipality, or endorsing
25 county must provide an annual audited financial
26 statement required by the department, if any, not
27 later than the end of the fourth month after the date
28 the period covered by the financial statement ends.
29 After the conclusion of an event and on the
30 department's request, a local organizing committee,
31 endorsing municipality, or endorsing county must
32 provide information relating to the event, such as
33 attendance figures, including an estimate of the
34 number of people who are not residents of this state
35 who attended the event, financial information, or
36 other public information held by the local organizing
37 committee, endorsing municipality, or endorsing
38 county that the department considers necessary.

39 Revised Law

40 Sec. 480.0252. ISSUANCE OF NOTES. (a) To meet its
41 obligations under an event support contract to improve, construct,
42 renovate, or acquire facilities or to acquire equipment, an
43 endorsing municipality by ordinance or an endorsing county by order
44 may authorize the issuance of notes.

45 (b) An endorsing municipality or endorsing county may
46 provide that the notes be paid from and secured by:

47 (1) amounts on deposit or amounts to be transferred or

1 deposited to the events trust fund; or

2 (2) surcharges from user fees charged in connection
3 with the event, including parking or ticket fees.

4 (c) A note issued must mature not later than the seventh
5 anniversary of the date of issuance. (V.A.C.S. Art. 5190.14, Sec.
6 5C(g).)

7 Source Law

8 (g) To meet its obligations under an event
9 support contract to improve, construct, renovate, or
10 acquire facilities or to acquire equipment, an
11 endorsing municipality by ordinance or an endorsing
12 county by order may authorize the issuance of notes.
13 An endorsing municipality or endorsing county may
14 provide that the notes be paid from and secured by
15 amounts on deposit or amounts to be transferred or
16 deposited into the Events trust fund or surcharges
17 from user fees, including parking or ticket fees,
18 charged in connection with the event. Any note issued
19 must mature not later than seven years from its date of
20 issuance.

21 Revised Law

22 Sec. 480.0253. PLEDGE OF SURCHARGES TO GUARANTEE
23 OBLIGATIONS. An endorsing municipality or endorsing county may
24 guarantee its obligations under an event support contract and this
25 chapter by pledging, in addition to the tax revenue deposited under
26 Section 480.0152, surcharges from user fees charged in connection
27 with the event, including parking or ticket fees. (V.A.C.S. Art.
28 5190.14, Sec. 5C(e) (part).)

29 Source Law

30 (e) In addition to the tax revenue deposited in
31 the Events trust fund under Subsection (d) of this
32 section, an endorsing municipality or endorsing county
33 may guarantee its obligations under an event support
34 contract and this section by pledging surcharges from
35 user fees, including parking or ticket fees, charged
36 in connection with the event. . . .